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COMMISSION ON THE NATIONAL GUARD AND RESERVES HOLDS A
HEARING ON ROLES AND MISSIONS OF THE NATIONAL GUARD AND
RESERVES

MARCH 9, 2006

SPEAKERS:

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WITNESSES:

GENERAL RICHARD CODY, VICE CHIEF OF STAFF, UNITED STATES
ARMY

ADMIRAL ROBERT WILLARD, VICE CHIEF OF NAVAL OPERATIONS,
UNITED STATES NAVY

GENERAL ROBERT MAGNUS, ASSISTANT COMMANDANT, UNITED
STATES MARINE CORPS

GENERAL JOHN D. W. CORLEY, VICE CHIEF OF STAFF, UNITED
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1 PUNARO: The commission will come to order. Good morning.

2 Today we continue our initial hearings on the roles and missions of the National Guard
3 and Reserve in meeting the requirements of the national military strategy, both as it exists now
4 and as it continues to evolve.

5 Yesterday, Secretary Chu and General Odierno gave us the senior departmental
6 leadership's perspective on roles and missions. To continue that dialogue and also add the
7 military service perspective, the commission this morning welcomes the service vice chiefs of
8 staff, General Richard Cody, vice chief of staff of the Army; Admiral Robert Willard, vice chief
9 of naval operations; General Robert Magnus, assistant commandant of the Marine Corps; and
10 General John Corley, vice chief of staff of the Air Force.

11 I want to thank each of our witnesses for being here today. We all, as we indicated to the
12 members of Congress yesterday and to Secretary Chu, we all share your pride in the magnificent
13 job that our service members, active and reserve, are doing around the globe. We thank you for
14 your dedication to them and their families. We particularly thank you for the long mile you are
15 going to take care of our troops, particularly those injured, whether they are Active, Guard or
16 Reserve, and make sure those individuals have all the support they need, as well as their families.

17 Your perspective will make an important contribution to the commission's understanding
18 of service-specific issues relative to what the National Guard and Reserves do today and what we
19 need them to do the future. We also welcome input from each of our witnesses on what you
20 believe to be the critical issues this commission should tackle, as well as the overarching policy
21 principles that should inform our assessments and recommendations.

22 Yesterday, we heard from the congressional leadership on their views on these subjects.
23 We heard from the chairmen of the various authorizing committees. We heard from the
24 chairmen and ranking from the personnel subcommittees. We heard from the co-chairs of the

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1 Guard and Reserve caucuses. They have some very, very extensive and very strongly held views
2 on a lot of subjects that we will be addressing here today.

3 We also explored in some detail yesterday afternoon with Secretary Chu and General
4 Odierno and Assistant Secretary Hall, the changing role of the Guard and Reserve from a
5 strategic to a more operational force and the implications of that change. Secretary Chu and
6 General Odierno acknowledged that it may not be de jure, but it is certainly de facto that today's
7 Guard and Reserve is an operational Guard and Reserve, and we know, all of us here know, that
8 that has profound implications for a lot of the aspects that the commission will be dealing with.

9 As always, we count on your experience as well as your candor on the issues of
10 importance to the commission's charge, such as how you are examining the key service
11 responsibilities of organizing, equipping, training, and supporting the National Guard and
12 Reserves to best meet these threats and requirements as they fit into your individual military
13 department and service views. So without objection, your prepared statements will be placed in
14 the record.

15 Thank you again for providing your considerable experience and expertise to these
16 proceedings and again for your service to our nation.

17 With that, General Cody, I believe we will start with you, sir, if that is OK.

18 CODY: Thank you. Good morning, Mr. Chairman and distinguished members of the
19 commission. Thank you for this opportunity to speak to you about our Army, our Army National
20 Guard and our Army Reserves.

21 On behalf of Secretary Fran Harvey and Chief of Staff General Pete Schoomaker and the
22 approximately one million Reserve and Active component soldiers that comprise America's
23 Army, more than 120,000 of them right now serving in harm's way in Afghanistan and Iraq, let
24 me say I look forward to relating the Army's vision and way ahead for our reserve components.

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1 You have already stated that you will take my written statement for the record. So what I
2 will do is I will just pass on the rest of my statement and I look forward to all your questions.

3 PUNARO: Thank you, sir.

4 Admiral Willard?

5 WILLARD: Thank you, Chairman Punaro and distinguished members of the
6 commission. Good morning and thank you for the opportunity to testify on behalf of our Navy.

7 As you well know, we are engaged in a new kind of war, one that brings all the
8 complications of our new age to bear, and our Navy is rapidly adapting in it. We are
9 transforming from a blue water force to one that is more agile and jointly engaged.
10 Consequently, our sailors deploy to every corner of the globe. They man ships on every ocean.
11 They hunt terrorists in the mountains of Afghanistan. They patrol the skies of Iraq and provide
12 humanitarian relief to victims of tsunamis, hurricanes and earthquakes.

13 Due to the broad scope of operations necessitated by what will be a long and irregular
14 war, our pace of operations has increased. As a result, joint force commanders need improved
15 access to our total force. A significant part of our total force is made up of our reserve
16 component and therefore Navy continues to transform its Reserve component from a
17 predominant strategic force to one that is more operational.

18 The 2006 Quadrennial Defense Review report provides us guidance in this endeavor. In
19 that report, we find several recommendations designed to enhance the capabilities and
20 accessibility of our Navy Reserve by targeting changes in policy, legislation and operational
21 force structure. In line with these recommendations, the Navy has taken steps to enhance the
22 readiness and responsiveness of our Reserve and to ensure their operational sustainability. We
23 continually validate the operational reserve requirement via an ongoing fleet-wide process called
24 zero-based review. This review systematically studies gaps in the active component capability

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1 and subsequently recommends whether each capability should be aligned, divested or filled with
2 the Navy Reserve component.

3 In addition, we have aggressively pursued active-reserve integration through a
4 capabilities-based examination of our fleet. Among the outcomes of the exam, it was decided
5 that active forces should assume all full-time requirements, while our reserve forces would fill in
6 wherever there is a periodic and predictable need.

7 As a result of initiatives like these, today's Navy Reserve is capable of rapidly meeting
8 requests for forces, with critical skill sets such as customs inspection, intelligence instruction,
9 harbor patrol, and logistic support. The experience and flexibility Navy reservists bring to the
10 joint force cannot be overstated. Over 5,000 Navy reservists are currently mobilized and filling
11 critical billets in support of the Global War on Terror.

12 But their contribution doesn't end with mobilizations. On any given day, 15,000 Navy
13 reservists actively serve in a variety of capacities, from flight instructors to counter-narcotics
14 operations to relief support for Hurricane Katrina. In fact, over the past year, Navy reservists
15 have provided 15,000 man-years, ore the equivalent of two carrier battle groups in support of
16 fleet operations.

17 Additionally, in outside current day-to-day support of fleet operations, the majority of the
18 Navy Reserve stands ready in the event of general mobilization and to defend and secure the
19 homeland. Stationed along coastal areas and within concentrated populations throughout our
20 country and trained in such key specialties as civil engineering and search and rescue, our Navy
21 Reserve provides a formidable front line of defense for our nation. Our Navy has done much to
22 streamline operational access to our reserve, yet there is still more to be done. Problems exist
23 from timely mobilization notification to administrative barriers that prevent the efficiency of the
24 reserve sailors capabilities.

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1 We ask for your help in overcoming these barriers. Working together, we should
2 concentrate our efforts to the maximum extent possible on the recommendations of the 2006
3 QDR. Specifically, we should promote initiatives designed to increase the period authorized for
4 presidential reserve call-up, 270, to 365 days; focus reserve component competencies on
5 homeland defense and civil support operations; allow activation of the reserve component for
6 natural disasters in order to meet specific needs without relying on volunteers; allow individuals
7 who volunteer for activation to serve for long periods as individual augmentees; and develop
8 select reserve units that train intensively and therefore require shorter notice for deployment.

9 Our nation's victory in the Global War on Terror greatly depends on our ability to over-
10 match our enemies. Contributing to that over-match is a Navy Reserve that is more accessible,
11 ready and integrated with each passing day.

12 On behalf of the brave men and women of the Navy Reserve, I thank you for your
13 continued support and look forward to your questions. In addition to my fellow vice-chiefs, I am
14 joined today by Vice Admiral John Cotton, chief of the Navy Reserve.

15 Thank you.

16 PUNARO: Thank you, sir.

17 General Magnus?

18 MAGNUS: Chairman Punaro, distinguished members of the commission, on behalf of
19 the commandant of the Marine Corps, and in particular on behalf of our total force of 220,000
20 active components of the Marine Corps Reserve, the active reserve, our individual mobilization
21 augmentees, and several hundred individual ready reservists on active duty, I thank you for your
22 commission and the help it is going to give the Congress in assessing the current and future
23 status of our Guard and Reserve.

24 I would like to submit written testimony, of course, for the record, sir, and give you my

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1 brief remarks. The total force, and literally we are the fortunate representatives that sit before
2 you of that force, has performed awesomely. The force that we had on 9-10 has rapidly changed,
3 both active and reserve. That team has gone into action after 9-11 and was evident in the
4 battlefields of Afghanistan to Iraq, from Al Anbar Province to the hurricane rescue and recovery
5 operations in Mississippi and Louisiana, Marine Reserves, along with their joint counterparts,
6 continue to show they are ready, relevant, capable, and what is most important, they are eager to
7 answer the nation's call to arms or humanitarian assistance.

8 Now entering the fifth year of what has been aptly termed the Long War, the Marine
9 Corps Reserve and its active component warrior brethren provide a broad range of capabilities
10 across the spectrum of the joint force command because of the seamless integration of our active
11 and reserve components in the total force. Since Desert Storm, we have changed the way we
12 utilize our reserves. While one could argue as to whether the Marine Corps was ever a strategic
13 reserve in the classic sense of large land forces, clearly since Desert Storm we have become
14 more and more operationally relied upon and that has rapidly accelerated since 9-11.

15 In fact, when the nation calls our active component Marines into action, the Marine
16 reservists are eager to join, not wanting to be held in, quote, "strategic reserve." In fact, angry
17 when they are not given the opportunity where there is peacetime crisis or the call to war. Our
18 selected Marine Corps Reserve units and the individual mobilization augmentee, as I said, are
19 seamlessly integrated as they fall in on their brethren in the active component forces. All
20 Marines (OFF-MIKE) to be the most ready, even if the nation is (OFF-MIKE) ready for war.
21 When the call to arms comes, our reserves mobilize quickly and are ready for strategic lift to fly
22 them into theater. The nation does not have time to wait for the Marine Corps Reserves and the
23 Marine Corps Reserves do want to be kept waiting.

24 Today, we assign over 7,000 active duty Marines to show the sincerity of the value that

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1 we place on the Marine forces and the reserves. They are into our specter (ph) instructor staffs,
2 who help support their fellow warriors at their sites where their units are trained, to provide them
3 administrative logistics and maintenance support and to get them ready to deploy to war. There
4 are over 35,000 Marines that are assigned to the cohesive selected Marine Corps Reserve units.
5 These cohesive combat teams are intended to go to war as a team. I cannot emphasize that any
6 more strongly. If we have to break these teams apart, as individuals we lose the value of that
7 team and we also don't help the team that is being formed, which is intended for active and
8 reserve cohesiveness.

9 We have 2,200 Marines who serve superbly today overseas, some of them as individual
10 mobilization augmentees for our active component staffs that serve on joint staffs and joint teams
11 such as our embedded training teams in Afghanistan today. And we also have a pool of over
12 58,000 individual ready reserves who have continually volunteered and responded splendidly to
13 individual calls to action.

14 These Marines are designed for the same tough warfighting standards as their active
15 component brethren. One standard, one team, one fight Marines. Recent examples of
16 augmenting and reinforcing capability of the Marine Corps forces abound. Reserve battalions
17 from the Second Battalion, 23rd Marines, from Encino, California, the Second Battalion, 25th
18 Marines of my home state, Garden City, New York, promptly mobilized on the east and west
19 coast to support homeland defense missions right after 9-11.

20 Then in 2003, the same Marines, 2/23 and 2/25, and two additional units, the Third
21 Battalion, 23rd Marines in New Orleans, Louisiana and the First Battalion, 24th Marines in
22 Detroit Michigan, shifted to major combat operations on the march to Baghdad with their active
23 component Marine brethren and their fellow warriors in the Army, Air Force and the Navy.
24 Obviously, their success is already clear. The 25th Marines further supported high-tempo

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1 operations in the global force, and the First Battalion, 25th Marines of Worcester, Massachusetts
2 deployed to Okinawa to replace an active component unit as they deployed to war. Today, First
3 Battalion, 25th Marines are in Iraq doing counterinsurgency stability and support operations.

4 During the Hurricanes Katrina and Rita, (OFF-MIKE) the Fourth Infantry Assault
5 Battalion, which fought in Iraq in 2003, and 2005 found them at home helping their fellow
6 countrymen in Gulfport, Mississippi. They did not have to wait for the call to action. We do not
7 need orders to be able to protect life and defend property. They were using their unique
8 amphibious capabilities to bring their vehicles through the streets, rescuing their fellow
9 countrymen.

10 Marines of Light Attack Helicopter Squadron 773 of Marietta, Georgia, normally
11 employed in light attack missions against the enemy, found themselves flying hundreds of
12 missions in support of rescue and recovery operations in New Orleans. Civil Affairs teams from
13 the Third Civil Affairs Group at Camp Pendleton, the Fourth Civil Affairs Group here in
14 Washington, D.C. and Maryland, the Fifth Civil Affairs Group in Baltimore, Maryland, and the
15 Sixth Civil Affairs Team drawn from a variety of states, have all deployed repeatedly to Iraq and
16 Afghanistan since 2003. These Marines and we in the active component are proud that they have
17 trained to the same standard, and like us are eager to the call to battle.

18 I have one story that tells you something about your Marines and their part of the total
19 force. Lance Corporal Corbin (ph), a medium tactical vehicle replacement driver, Weapons
20 Company, Third Battalion, 25th Marines from Columbus, Ohio, bolted into the Regimental
21 Combat Team Two from the Second Marine Division, the active component, as part of the
22 Second Marine Expeditionary Force Forward in Haditha, Iraq on 7 May 2005. He was part of a
23 platoon that was ambushed with a variety of suicide vehicle-borne explosive devices, with
24 enemies firing rocket-propelled grenades and heavy machine guns. Instantly, three of the four

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1 vehicles in his convoy were disabled and 11 of 16 Marines suffered serious casualties.

2 Lance Corporal Corbin (ph) immediately sprang to action positioning his truck in
3 between the enemy and many of the wounded. He went into enemy-direct fire, directing his
4 Marines to engage in assisting and marking targets for the forces that were behind him. He ran
5 to his fallen platoon leader, threw him onto his shoulder and carried him through fire to safety,
6 then re-crossed the kill zone, made his way to the fallen corpsmen with his unit, bound up his
7 wounds for emergency battle dressage, and carried him to safety.

8 As he began to continue to move, the enemy engaged him at close range and in order to
9 protect one of the fellow Marines who was wounded, from the friendly machine gun fire that was
10 suppressing the enemy, he threw himself over his wounded fellow warriors body. On five
11 separate occasions following that, he ran through enemy fire recovering dead or wounded
12 personnel, returning them to his truck, started the disabled vehicle, and drove it five miles to the
13 (OFF-MIKE) station.

14 Lance Corporal Corbin (ph) could not be told that he was a Reserve Marine. Lance
15 Corporal Corbin, active or reserve, one standard, one Marine. He exemplifies the total force that
16 we have in action. One team, one fight, one standard Marine.

17 Thank you for the opportunity to present Lance Corporal Corbin's story. His story is
18 repeated hundreds of times every day by our fellow active component, reserve and National
19 Guard components who today are answering the nation's call to arms across the globe.

20 I await your questions.

21 PUNARO: Thank you, General Magnus.

22 General Corley?

23 CORLEY: Mr. Chairman and distinguished members of the commission, thanks for the
24 opportunity to talk with you today about your Air Force and how we make your Air Force better,

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1 in particular two of the critical parts of that Air Force, the Air National Guard and the Air Force
2 Reserve.

3 I want to say on behalf of Secretary Wynn and also Chief Moseley, but more importantly
4 on behalf of the men and women of the Air Force, let me express my gratitude for making this a
5 better force. Frankly, for the past 15 years, your Air Force has been at war from Desert Storm
6 through Operations Iraqi Freedom and Enduring Freedom, to Noble Eagle and the protection of
7 the United States. We have been at war. That war has been conducted by airmen, whether they
8 are active duty, whether they are Air National Guardsmen or Air Force Reserve. We all work
9 side by side.

10 Our concept and this concept of total force integration, provides America with a smaller,
11 and yet more capable and more affordable Air Force for the nation. We think of all airmen not in
12 terms of active duty, National Guard or Air Force Reserve, but rather as members of one team,
13 one total force team.

14 The Air Force remains with a number one priority today, and that is to maintain the focus
15 on winning the Global War on Terror. All airmen, again no matter whether they are active,
16 guard, or reserve, operationally, and that is important to emphasize, contribute to the mission
17 every day. Given that this will be a long war, the entire Air Force must remain ready. The air
18 reserve component has an immediate ready-to-deploy capability today and a strong ability to
19 maximize volunteerism, while minimizing mobilization.

20 Today, we have over 30,000 airmen that are forward-deployed in support of combatant
21 commanders throughout the world. Right now, Air National Guard C-130s from four states, F-
22 16s from the Air National Guard and the Air Force Reserve, are joining other Air Force members
23 supporting operations in Southwest Asia. The Air Force is simultaneously contributing to
24 Operation Noble Eagle, the defense of our homeland. Just since 9-11, over 43,000 fighter, air

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1 refueling, and airborne early warning sorties have been flown in defense of this nation, and
2 30,000 of these missions have been flown by the Air National Guard and by the Air Force
3 Reserves.

4 While fully engaged in the Global War on Terror operations, the total force still answered
5 the call when it came to Hurricanes Katrina and Rita. The Air Force flew 5,000 sorties, and
6 more importantly lifted 30,000 passengers to safety, 16,000 tons of cargo, and accomplished
7 over 5,000 search and rescue saves of individuals. Moreover, the Air Force Reserve Hurricane
8 Hunter aircraft flew combat surveillance and constant surveillance operations, warning the
9 people in the leadership in advance of these powerful storms, reducing hopefully the number of
10 potential casualties by the thousands.

11 We formed a total force integration directorate. It is responsible for coordinating the
12 Guard and Reserve and the new emerging missions that they are undertaking today. They helped
13 to develop the total force organizational constructs, working with our partners in the department
14 Air National Guard and Air Force Reserve. The Air Force is maximizing our overall joint
15 combat capability and we are making significant progress along those total force initiatives:
16 Richmond, Langley in the state of Virginia, F-22, our newest aircraft, integration is here;
17 community basing in Vermont, F-16 integration at Hill Air Force Base in Utah; movement
18 toward new missions with part of their unmanned aircraft in Texas, Arizona, New York, North
19 Dakota, California, and the Air Force and Air Warfare Center in Nevada; C-17 associate units in
20 Alaska and Hawaii.

21 The goal is clear: take greater advantage of the total force elements and the capabilities
22 in the way the Air Force can operate better. Total force integration is the way we operate now,
23 and how we will provide air and space power for the Air Force and for the nation and our joint
24 colleagues in the future. Total force integration is the right roadmap to do this.

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1 Thank you for the opportunity to share thoughts with you. I will be happy to respond to
2 your questions.

3 PUNARO: Thank you, general.

4 Before I get to my first question, let me explain a little bit how we are going to operate
5 the hearing here this morning. First, I want to thank each of the military departments for the
6 significant support we are receiving from each of your services as we go about doing the work of
7 this commission, whether it is gathering information. Also, we understand you all have full-time
8 jobs. There are a lot of requests out there. There are a lot of commissions working all the time.
9 Admiral Pillings (ph) commission on pay finishing up; General Miggs (ph) has the IED. They
10 kind of share space with us, so we see those folks quite a bit. We know that sitting where you
11 sit, you have requests every day, you need four people for this joint task force, or we have to go
12 do this and that.

13 I will tell you, we could not be more pleased. We work very closely with Vice Admiral
14 Jack Cotton and his colleagues. You have sent us some terrific subject matter experts to help us.
15 We look forward to working very closely with each of the services and each of the components
16 as we go forward.

17 I would also say to you that we are looking at the long-term view. We are looking at it,
18 kind of stepping back. We are out of the day-to-day in-box. We hope we will deal with some of
19 the issues that are in the too-hard box. We certainly got some pretty strong lectures from the
20 senior members of Congress yesterday, marching orders, so to speak, about some of the issues
21 we need to focus on. Some of them have been around for a long time, the balance of power
22 between the federal government and the state government in disaster operations and who ought
23 to be in charge. Those are extremely complex and difficult. We want to step back and look at
24 them.

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1 But I would say to you, at any point that we are working, and I know how things get
2 around. Somebody will say, well, I can't believe those guys over on the Guard and Reserve
3 Commission. I heard they were thinking of doing X. And you will say, holy smoke, that is the
4 dumbest thing I have ever heard. Get on the phone, call me and say, hey, are you really thinking
5 about doing that, and if you are, let me tell you.

6 So please don't hesitate to reach out to us. We will certainly be reaching out to you. I
7 know you don't have to worry about that, but don't hesitate to get a hold of us and make sure
8 you have all the input that you want as we go forward.

9 In terms of how we are going to run the hearing today, only selected members of the
10 commission are going to be asking questions today. We kind of divvied up the questioning
11 responsibility over yesterday and today, primarily because we are going to operate, because we
12 are chartered by Congress as an independent commission, working for the Congress. We all
13 have a lot of experience with that, so we are going to kind of operate, and I do not mean to scare
14 you off, but we are going to kind of operate like a full committee of the Congress, with
15 subcommittees. So we have sort of broken our work down into six subcommittees as follows:
16 personnel and compensation; requirements and organizations; mobilization and demobilization;
17 homeland security and homeland defense; readiness, training and equipping; and funding
18 analysis.

19 So what we have done is each of your commissioners is on several of those
20 subcommittees and one or two of the commissioners will take the lead for each of those
21 subcommittees. So what we have done then is sort of divvy up the questioning responsibility
22 based on what people's subcommittee assignments are. And also, frankly, to just stay focused on
23 the key topics that we want to stay focused on. Again, we are trying to look at the horizon
24 beyond and not really look at the grains of sand on the beach.

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1 So the fact that only five or six of our commissioners will be asking questions today does
2 not mean the rest of the commissioners are not interested and not paying careful attention.

3 With that background, let me start with the first question. It is really kind of picking up
4 on what we asked you to talk about in your prepared testimony, as well as what Dr. Chu and
5 General Odierno testified to yesterday, as I mentioned at the outset, that the National Guard and
6 Reserves are now an operational force, not a strategic force. They could be some of both, but
7 they are being employed as an operational force. Those witnesses agreed that, and this is truly a
8 transformation, and they agreed with that term. It has far-ranging implications for how we
9 organize, train, equip, compensate and support the reserve component personnel.

10 So I am going to ask two questions about that. My first question is, can you share with
11 the commission what steps your service has taken to assure that we are properly managing and
12 resourcing the reserve components to serve as an operational force now and over the long haul,
13 rather than just deploying them as an operational force? In effect, what has your service done to
14 change the way you recruit, retain, equip, compensate and support the reserve component in light
15 of their operational function?

16 General Cody, we will start with you, sir.

17 CODY: Thank you, chairman.

18 I think that gets to the heart of the issue. I know Dr. Chu, and I am sure General Odierno
19 discussed it yesterday. Let me put it in context first. In the 1970s, we had 1.3 million active
20 component soldiers, about 667,000 reserve component soldiers. We had a deep active
21 component well in which to dip into during the Cold War, as well as fighting in Vietnam. But
22 that was also a force that was forward-deployed. We had hundreds of thousands of soldiers on
23 active duty in Europe. We had almost two divisions in Korea. And you know the commitment
24 we had in Southeast Asia during that timeframe.

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1 In the 1990s when the wall came down, we took 42 percent across the board, active,
2 guard, and reserve, and reduced the structure in the Army, as well as the other services. In 2001
3 when we entered this Global War on Terrorism, we had an active force of about 482,000, a
4 350,000-men and –woman Army National Guard, and about a 205,000 USAR. When we entered
5 this Global War on Terrorism, and we are now into our fourth rotation of 17 brigade combat
6 teams in Afghanistan and Iraq.

7 That structured decrease in the use of the Army in particular really dictated that we had to
8 look at the Army National Guard and the Reserve as an operational force. But the truth of the
9 matter is in 1990, and the 10 years prior to the Global War on Terrorism, we never resourced it.
10 We had hollowness in the guard equipment. At the same time, the National Guard in particular
11 was a 350,000 end-strength force. They carried a force structure allowance of 375,000 spaces
12 and flags, which meant on any given day when the music stopped, you had 25,000 holes in that
13 force.

14 Then we went to war. We had the same problem on the active side. We had holes in the
15 active force on the combat support and combat service support, as well as we had 10 years of
16 procurement holiday for the entire force. We had \$54 billion of shortages of equipment, active,
17 guard and reserve.

18 So as we entered this war, we recognized that we had to restructure the Army. It was not
19 restructure the active, it was restructure the entire Army to the realities of a long war. We have a
20 moral obligation to send American soldiers into harm's way well trained, well equipped, and
21 well led. We realized that in order to meet that, we had to restructure the force. So we started
22 doing that.

23 We are on-course today to grow the active force brigade combat teams from 33 to 42; the
24 National Guard to 28 brigade combat teams with a total of 106 total brigades. But when you

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1 look at that structure, the most important thing is there are only going to be three types of brigade
2 combat teams. The brigade combat teams in the guard and the brigade combat teams in the
3 active force will be the same. They will be equipped the same. They will be manned the same.
4 They will be trained the same. In order for us to have and meet our moral obligation of Title X
5 to not send formations in that we have done in the past history of the United States Army, we
6 have to do that. We are on-course to do that.

7 I think also we have to recognize that it is going to take time for us to restructure this
8 force. As we looked at the QDR and as we looked at the emerging missions of homeland
9 security and homeland defense, we also realized that as we built this force, not just three compos
10 (ph), but the total force, we had to strike a balance between the brigade combat teams on the
11 active side, brigade combat teams on the guard side, and then the combat support and combat
12 service support structure to sustain a campaign-quality Army in a rotational basis that no one
13 anticipated prior to the QDR of 2001, anticipated you take this Army and rotate it, 17 brigades,
14 every year. And each time we rotate that Army, it is the largest move of your Army since World
15 War II Normandy invasion.

16 All those factors drove us to having an operational force in the reserve. So we are on
17 track to do that. It is going to take us quite some time. We have made some investments, \$21
18 billion in the National Guard in particular, for equipment. They have over 15,000 deuce-and-a-
19 halves. We need to get rid of them. They were old when I was a lieutenant. So we are on track to
20 replace them with frontline equipment.

21 When we looked at our tank fleet and our Bradley fleet, the guard had the oldest. We are
22 going to start fielding them with the Ames tank and the ODSE Bradley, frontline equipment.
23 They are getting the CH-47 Foxtrot helicopter. Working with the Air Force, they will be getting
24 the joint future cargo aircraft, fielded first to the guard. They will be getting the new light utility

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1 helicopter.

2 As we rebalance the combat support and combat service support, we said for homeland
3 security for depth for the active force and the total force for war, we need to rebalance the
4 combat service support so it is usable for the governors for homeland security and homeland
5 defense and consequence management, but also had the requisite depth to be able to sustain an
6 all-volunteer force based upon what we see as the Global War on Terrorism rotation. It is going
7 to take us a while to do what. That is 120,000 spaces in the United States Army, active, guard
8 and reserve, that we have to restructure. In doing so, we have already done about 50,000 while
9 we have been fighting this Global War on Terrorism.

10 So I think as this commission goes about its business, we have been doing this for five
11 years. It is very, very complex. I have read what is in the papers, and quite frankly I scratch my
12 head because this is not about cuts. This is about building capacity. This is not about slicing
13 here. This is about taking a force that was not very usable, that was hallow, that was under-
14 equipped, undermanned, and restructuring it in a way to meet the future requirements of this
15 nation. It is about building capacity. It is about investing.

16 So as you go about your business, we will certainly provide you with how we are doing
17 that and take any advice that you may have. But we are marching forward on this.

18 PUNARO: We look forward to that. We will take you up on that. I think it would be
19 useful to have particularly some of our subcommittee commissioners come over and really spend
20 some quality time with whoever you deem are the right folks to make sure we fully understand
21 all those changes.

22 Admiral Willard?

23 WILLARD: Thank you very much.

24 I think you are going to probably hear some common themes as we walk through these

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1 questions today as we have been working this subject matter, frankly, for the last year in the
2 Quadrennial Defense Review as vice chiefs. Many of the initiatives you have heard before.

3 In terms of managing and resourcing our reserves for the future, we are now one Navy.
4 The dramatic changes that have occurred in the operationalization of our reserve force since 9-11
5 has taken hold over the past several years and we have been compelled to make a variety of
6 changes. But at the same time the reserves were playing that large role, the Navy was
7 reorganizing itself around resource sponsors, specifically, that were fully integrated between
8 their responsibilities for the active force and the reserve component.

9 An example is manpower personnel training and education. Our organization will
10 account for the manpower readiness, the training and education readiness of our reserve force
11 equally as our active force, so one resource sponsor responsible for both reserve manpower and
12 active component manpower.

13 Likewise, we have integrated the responsibility for force readiness. This is manning,
14 training, equipping the force in operations such that our type commanders, surface forces
15 commander, air forces commander, and submarine forces commander, are equally responsible
16 for our active component and our reserve component readiness. The readiness standards
17 between our active component and our reserve component forces are identical. So there is no
18 distinction.

19 Certainly, the way money is authorized and appropriated and accounted for, but in terms
20 of the management of the force and the readiness of the force, the reserves are treated equally to
21 the active. Frankly, as they have become more operational, you would have a difficult time
22 distinguishing between an active sailor and a reserve sailor anywhere in our Navy.

23 PUNARO: Thank you, sir.

24 General Magnus?

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1 MAGNUS: Yes, sir. Thank you.

2 As you have asked, we have been and remain a complementary force that augments and
3 reinforces our active component Marines. But there has been a notable shift from the early
4 1990s, literally with the collapse of the former Soviet Union, and part by Desert Shield and
5 Desert Storm. The reserve had had heavier and some unique capabilities, although in many
6 aspects they mirror-imaged their active force in the early 1990s.

7 In the 1990s, selected Marine Corps Reserve units were expected to mobilize and deploy
8 early, typically aviation, and in fact were expected in major theater wars to fall in along with
9 their active component units within the first weeks of a major war. But of course, the concept of
10 having two near-simultaneous major theater wars was something that was not expected to be
11 frequent, so in a certain sense we were balancing in the 1990s between a shift from strategic
12 reserves and a leaning into what became more and more frequent smaller-scale contingencies
13 and peacetime use of the reserves alongside their brethren.

14 But since 9-11, the shift to a total force that was expected to be able to handle as a swing
15 force one major theater war, with some residual active and reserve capabilities, then to swing to
16 that second major combat operation. Now as we find ourselves in a global long war, the total
17 force is being restructured. Beginning in 2003 and focusing on the Marine forces reserve, we de-
18 structured, if you will, two reserve artillery battalion headquarters command elements and four
19 artillery batteries. We changed the reserve artillery from 155 and are now heading, along with
20 our Army brethren, high mars (ph) or high mobility artillery rocket systems, but not making that
21 heavier system unique to the reserves. We are also providing a battery capability in the active
22 artillery battalion.

23 We removed a tank battalion headquarters command element in two tank companies, and
24 we stood down one of our four BMFA strike fighter squadrons because after 9-11, we realized

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1 that it was not until after 9-11 that we had mobilized crisis, our first strike fighter capability since
2 the Korean War, tremendously capable, some of the best pilots in the Marine Corps, standing on
3 the sidelines while their fellow warriors were going to war. So the capabilities structure was
4 changing.

5 We added a security and antiterrorism battalion in reserves, again to complement the
6 forces that we put in, the Fourth Marine Expeditionary Brigade. We added two light armored
7 reconnaissance vehicle companies, similar to the ones that we were adding to the active
8 component force. We added more civil affairs detachments, and we also provided that civil
9 affairs capability as plus-ins to the active artillery regimental headquarters so that they could
10 dual-role when they were not needed to fire artillery in major combat operations. They could
11 take over phase IV training and stability and security operations and civil military operations,
12 with the unique expertise of the civil affairs officers that were found in our reserve units.

13 In terms of their equipment, the reserves had always been equipped at a percentage of the
14 active component tables of equipment, those tables of allowance. They had 65 to 75 percent, and
15 the expectation when the former Soviet Union ended in the early 1990s, when they were called
16 to major combat, they would fall in either on the equipment of the active force as it moved
17 forward and had remained behind equipment, they would fall in on equipment from
18 prepositioned war reserves or so-called in-stores equipment. Or as they were mobilized, they
19 would fall in on equipment that was coming new from national reserves or production lines.
20 They were ready to go to war faster than in many cases their equipment was going to be ready.

21 We are now as we are continuing in a capabilities assessment group for 2006, again
22 looking at the total force based on our lessons learned from the ongoing war, as well as what we
23 expect of the active and reserve force in the next generation. We are going to re-look at that
24 concept, because if the active force as it is today, as it is disproportionately heavy equipment

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1 density list for counter-insurgency operations, as outfitted training teams for Iraq and Afghan
2 forces, for stability and support operations, disproportionately heavy for the force that is over
3 there. We have 40 percent of our ground equipment with one-third of our ground forces in Iraq
4 and Afghanistan, particularly heavy on things like communications gear, mobile electronics
5 equipment, and tactical transportation vehicles like light and medium trucks, putting machine
6 guns on trucks that didn't have machine guns before.

7 So that density, and it is also dense on the air side, has degraded the ability of the remain-
8 behind forces both active and reserve to fall in on anything. So what you see now is the forces
9 that go forward, active and reserve, are at the highest levels of readiness, and what has happened
10 is the forces that remain behind, both active and the reserves, have less gear to fall in on, and
11 therefore their readiness is degraded. So the concept of falling in on gear for the reserves is
12 going to be re-thought as we take a look at what the structure should be.

13 Training also needs to be thought of more efficiently pre-crisis. Right now we have a
14 wonderful training program, much as the Army does at the National Training Center, where
15 Marine units fall in as cohesive units at 29 Palms in what we call Mojave Viper. Cohesion
16 training has no time for individual training. So if you haven't got enough time behind the wheel
17 of your Humvee or your medium tactical vehicle in your unit and at your mobilization site, you
18 are not likely to get it while your battalion is getting ready to go to war with a regimental combat
19 team.

20 So pre-mobilization, post-activation and demobilization and transitions are very powerful
21 lessons learned, and we have learned a lot of them since 9-11, but we continue to learn them as
22 we go along.

23 In terms of recruiting and retention, quite frankly we are doing fine. We can do better.
24 We are both active component reserve. We are meeting and exceeding our initial accession or

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1 our recruiting. The difficulty, of course, is officers. All of our reserve officers serve an initial
2 tour of duty in an active component and so to the extent that we are doing much better in active
3 retention, that is a smaller cohort that is available to go into the reserve units. So now we are
4 considering things like the affiliation bonuses, but also in fact as we have in long wars, the idea
5 of perhaps considering putting active component officers coming out of the officers course,
6 instead of into an active unit, if necessary, plugging them into a reserve unit. You need that
7 cohesive team before they go to war, and certainly going to war, of course, the officer and the
8 staff NCO level is not a good formula for success on the battlefield.

9 In terms of enlisted retention, we are doing well, and we appreciate the affiliation
10 bonuses. Our accessions again are meeting and exceeding not only what our current needs are,
11 but we are doing better than we did last year. But of course, in selected skill areas, officers, but
12 in particular in our senior enlisted ranks, these affiliation bonuses have been important for us.

13 One last thing, I will say what has changed. What has changed, of course, is homeland
14 defense and homeland security. The commander of the Marine Forces Reserve is also becoming
15 a function where Admiral Keating as the commander of the Marine Force component to
16 Northern Command, along with a portion of his staff. He has assigned the MEPLoS (ph) and
17 Marine emergency planning liaison officers that were formerly assigned to the 12th FEMA
18 regions to NORTHCOM, so that in terms of their staff capabilities and command capabilities,
19 they are ready to provide the expertise along with our total force as needed for missions at home,
20 as well as the original missions for an expeditionary Marine Corps, which is to fight away-
21 games.

22 Thank you, sir.

23 PUNARO: Thank you very much.

24 General Corley?

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1 CORLEY: Mr. Chairman, if I go back to the way you framed the discussion on moving
2 from strategic to operation, and how did we do this, I think you got that right, sir. If I want to
3 break it down, I would say we are looking at a snapshot today and we are continuing on-course
4 and on-glide path. How have we done that, and what are the elements that we put in place to
5 make sure we continue to have a truly total force, integrated force most capable force?

6 These are at least four broad pieces to that. The first piece is an equipping piece. The
7 second I would put in a funding, training and experience bin. The third piece I would put in a
8 missions area. And the fourth, in my mind, would be an organization. Clearly, this does not
9 represent all of the areas for the initiatives that we have taken, but it is four that have been key
10 for us.

11 Let me go back and try to pull at each one of those. First is the equipping piece. I live
12 inside the reasonably young force, not young in terms of the people necessarily, but young in
13 terms of the number of years that we have had an air force. When I think about the equipping
14 piece and I look back, only about 40 years ago the ratio that we had in terms of numbers of aerial
15 vehicles inside of the active, vice (ph) or reserve component was skewed extremely heavily
16 towards the active, a near eight-to-one ratio. Where are we today on that ratio? It is now down
17 from about a seven- or eight- or five-to-one, now down to a less than two-to-one, 1.7 in fact in
18 terms of the number of vehicles in the active, vice (ph) or reserve component.

19 As you drill into that, it is not just the number of things, but it is the quality of the things
20 in terms of this true integration and partnership. When we take the newest of our aerial vehicles,
21 F-22s, C-17s that come right off the production line in Long Beach, and put them right into our
22 reserve component and then fly them together organizationally inside of the unit, that speaks
23 well in my mind towards how we have stayed on-course and on-glide path with this total force
24 integration.

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1 When I talk about funding, training and experience, it all needs to be on par with a total
2 force. They have to be available and ready today, not strategically to be brought forward and
3 then trained consistent with the themes of my service colleagues, but ready today to be used. In
4 fact, it benefits us across our services because if the active force is becoming a bit hollow in
5 some years of service, let's take eight, nine, ten, eleven years of service with experience, if I can
6 have that experience inside of my reserve component, then I maintain extraordinary capability
7 across my integrated force, especially if my integrated force is ready to go today.

8 When I think about missions, one of the things I think about as far as missions is new
9 mission areas, especially new mission areas that work so well in terms of our reserve component.
10 When I think about the availability of reach-back today, our things unmanned in terms of aerial
11 vehicles, our Predator-type of operations, what an extraordinary opportunity in partnership with
12 our reserve component to assist in those areas. There is mission growth in UAVs. There is
13 mission growth in terms of information operations. There is mission growth in terms of space
14 operations for our air and space force, all ways to show the viability of this true total force
15 integration.

16 In fact, as you know and members of the commission know, some of the mission areas
17 that are done by this total force are done either exclusively or the preponderance of those mission
18 areas are done by our reserve component.

19 Next, I talked a little bit about organizational aspects of this, not just what has historically
20 been or classically been associations inside of our force, but now we move into, if you will,
21 associate units where the unit equipment is essentially owned, maintained, and the primary
22 responsibility of the reserve component, and remember that is new equipment and a greater
23 proportion of the force. It is also a movement in terms of organizational constructs where we
24 would need your help to look at Title X and Title XXXII issues as to how we work the command

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1 structure inside of those new organizations as we move from classic associates to ARC (ph)
2 associates, through community basing and partially integrated to fully integrated organizations.

3 As I try to put those pieces together and think about your portion of the question about so
4 how do we do this in terms of recruiting and retention, the first thing I would say is that
5 demonstrates commitment to our total force integration. That is the kind of thing people look
6 towards in terms of their ability to be vital and be viable and to contribute and keeps them on
7 board, both the willingness to enter into the service, as well as to be retained inside of the
8 service.

9 As I look at metrics, albeit perhaps not the best metrics, and I look at end-strength across
10 all aspects of our total force, I find ourselves in the mid- to high-90s as far as meeting both end-
11 strength and meeting our recruiting and retention goals. I think that is done because of the
12 demonstrated commitment of equipment on par. I think of it as far as experience and training
13 and funding on par, inclusion into the new mission areas are to remain vital and capable, and the
14 organizational constructs to even become the leaders of organizations, sir.

15 PUNARO: Thank you very much.

16 The next questioner will be Commissioner Will Ball.

17 BALL: Thank you, Mr. Chairman.

18 I have been asked to undertake some questions with regard to sustainability. I know each
19 of you have spoken to sustainability in your earlier comments, but I want to get at a question I
20 know each of you will be asked dozens of times here on Capitol Hill this budget season, and that
21 is, I want to ask each of you to speak for a moment to budgetary shortfalls. When we assess
22 what resources are required in the training and equipping and manning of a true operational
23 reserve, then quite naturally the question occurs as to what the funding shortfalls are that the
24 nation confronts. So if you would speak to that briefly for the 2007 budget request that is now

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1 before the Congress, I think that would be helpful to us.

2 WILLARD: Thank you, sir. Your first piece of that question, how do you sustain this
3 force, the first thing you have to do is you have to restructure it. You have to restructure it in
4 ways that meet the new temporary operating environment that we are in. I stated up front, I
5 didn't state it very clearly so I will do it again. In the 1970s and 1980s when we had this large
6 standing AC force, it was also forward-deployed.

7 Here, very, very quickly, what we are going to have in Europe is two brigades, a Stryker
8 brigade and a airborne brigade in Italy. We will have one brigade in a division headquarters in
9 Korea. The rest of the force is a CONUS-based force. So to meet the global requirements, we
10 have to have power projection platforms, but we have to have units that we train and deploy.

11 So we have to, in order to get that with a total force, active, guard and reserve, we have to
12 put them in the right formation first. We also have to have them in formations that look like, that
13 are modular and plug-in play because they are going to have to fall in on prepositioned stocks.
14 Right now, the prepositioned stocks did not match what we had. So we have to restructure and
15 we are doing that now.

16 At the same time, we have to set up and equip and man and organize all three
17 components in such a way that the model is that they train and then they are employed, versus
18 training, alert, move, train, and then deploy, because we do not have time. And that is going to
19 take a different type of investment.

20 Now, to get to your question, sir, on the 2007 budget, the Army has looked at that budget.
21 We are digging ourselves out of the shortfalls of the 1990s in terms of light tactical vehicles,
22 communications, specifically radios, modernizing our tanks and Bradley fleet, howitzers, and our
23 helicopters. Quite frankly, the way we are doing our helicopter fleet is we canceled our largest
24 program and reinvested that money. That is going to take us time.

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1 So when you talk about shortfalls, or how the budget is going, we are fine with the 2007
2 budget as it is. It is a matter of time. You can put a lot of money up on this thing, but you can
3 only spend it so fast. You do not want to have idle money. So as we are looking at the
4 modularity piece of the Army, as we are looking at building or bringing on more soldiers in the
5 Army and taking a look at how that is, but also our procurement accounts in terms of how fast
6 we can buy back this equipment, as well as starting in 2006 and 2007 the base realignment and
7 closure, and for the Army it is more base realignment than it is closure because we are going to
8 have about 80,000 more active duty soldiers back in CONUS as we withdraw out of Europe and
9 Korea.

10 We have looked at this budget and we think we are fine with it. The key factor is the cost
11 of re-setting modernization that is required, to re-set this equipment and modernize it as we re-set
12 it, because we are using it so much, five times more wear and tear on our tactical fleet; five times
13 more wear and tear on our helicopter fleet; and everything in between. In each rotation, we have
14 to get that equipment back through our depots and buy new, because we have had some losses.

15 So that is why the time factor is probably more important to discuss versus looking at one
16 budget year.

17 BALL: Thank you, sir.

18 Admiral Willard, I guess that means since the Army won all of their budget battles with
19 the Defense Department, the Navy must have lost a few. So can you speak to the issue of
20 shortfalls for a moment?

21 WILLARD: Thank you, sir.

22 As I mentioned earlier, the resources for the reserves are currently being managed in the
23 same fashion that we are managing the resources for our active force, such that in manpower,
24 personnel, training and education, we have a single resource sponsor that is managing to the

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1 same standards, reserve and active, in our personnel system and operationally our type
2 commanders are managing the O&M budgets equally in terms of readiness standards.

3 So the question for the near term and the future would be whether the Navy is properly
4 resourced in terms of its readiness accounts and its manpower accounts. I think across all of our
5 services, we have committed to readiness in the past several years significantly. We certainly
6 have in the Navy, and we would regard our maritime and air forces to be as ready as they have
7 been in a great length of time. So we are very healthy from a readiness standpoint in the Navy at
8 large, and by virtue of the means of managing the reserve and active accounts, we are equally
9 strong in fleet readiness across both the active and the reserve components.

10 We are making adjustments in reserve manpower. I mentioned the zero-base review,
11 which has placed us on a glide path to about a reserve component of 71,300 in the coming years.
12 We are currently at about 73,100, so we are working to adjust the manpower numbers to the right
13 mix of active and the right mix of reservists to meet the capability requirement that the Navy has.
14 So the zero-base will review into where our capability gaps are and the determination of whether
15 active reserve contractors or civil servants should fill a capability role. It has not only gone on,
16 but it will be going on for the out-year. So we will continue to review for the right manpower
17 mix of our Navy reservists.

18 And then lastly to account for the mix of reservists inside the manpower account, we
19 have had some success in acquiring the force-shaping tools necessary to not only incentivize
20 their presence in the reserve component, but in some of the latitude that we have been given most
21 recently, we are able to manage between training accounts and active accounts to be able to
22 maintain reservists in operational roles when necessary. So we have force-shaping tools on hand
23 to try and align the reserve component correctly from the standpoint of the capabilities, the tasks
24 associated with our reservists, along with the rank structure of our reservists along the way.

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1 There are additional force-shaping tools that are being sought after as a result of the
2 Quadrennial Defense Review for both the active and reserve components, and we would ask for
3 your support in that area. That is to enable us to establish the necessary on-ramps and off-ramps
4 to bring the right reservists on board at the right time and to be able to make the transition
5 between active and reserve when necessary and vice versa.

6 BALL: Thank you.

7 Let me just interrupt, General Magnus, before you comment. Dr. Chu yesterday used
8 several times in his testimony the rebalancing the force, the term “rebalancing” the force. It is
9 interesting to me that you each are talking about that, but you are using a different term,
10 restructuring or total integration. But I am assuming this is all part of this process he referred to
11 as rebalancing the force and not some other term.

12 CODY: I am glad you asked, sir. There is a rebalance. A rebalance is one piece of it.
13 The rebalance is how much combat, how much combat support, how much combat service
14 support you want to have in each component based upon the change from a strategic reserve,
15 where we had a lot of time to build up, versus where we are now in this world where you need an
16 operational reserve. But then the restructuring, we had a Cold War structure when we entered
17 this fight. So we have to also restructure in the combat, combat service support and combat
18 support as well.

19 BALL: Thank you for that clarification.

20 Admiral Willard, did you want to add anything to that?

21 WILLARD: We have all been rebalancing since 2001. We recognized immediately
22 where we were misshapen between our active and reserve forces. Along the lines of General
23 Cody’s comments, where we had the wrong talent in the reserve component, it was in great
24 demand and should have been in the active, and we have made those adjustments. We have

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1 eliminated reservists, reserve roles where they were unnecessary, and we have grown new
2 missions for our reservists where they sit.

3 So the rebalancing that Dr. Chu refers to is this force-shaping across both the active and
4 reserve that has been going on now for several years, and will continue to go on, and in fact will
5 become a continuum of effort on our part to ensure that as the security environment changes, as
6 the capabilities and mission set changes, that we are responsible for and will have the right mix
7 of active, reserve, civil servant, and contractor to meet that. So I do not foresee that the
8 rebalancing you refer to will end.

9 BALL: Right. No, that is very helpful. I think we are going to want to know more about
10 that and the methodology and how each of the services are addressing it that. You will forgive
11 my interest in that. I remember well 12 or 14 years ago being invited to a briefing at the
12 Pentagon where the Navy leadership at the time outlined a plan to recapitalize the Navy by
13 decommissioning large numbers of ships early to save money to reinvest in new combatants.
14 That recapitalization plan never materialized owing to a lot of outside factors beyond the Navy's
15 control.

16 But rebalancing is a broader term. I understand that, and I just would like to know as we
17 go forward a little bit more about it.

18 General Magnus, would you add anything to what has been earlier said?

19 MAGNUS: Thank you.

20 First off, I completely agree with the comments of my colleagues, General Cody and
21 Admiral Willard. Sometimes inside the Pentagon, we get to use words that folks on the outside
22 who even have great familiarity with us are not exactly sure what the words mean. Of course,
23 the words have strong meaning.

24 When you refer to sustainability, I look at it in terms of the personnel first and then the

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1 material readiness and the modernization second. I have already told you that we have got over
2 time not only accessions and retentions in the reserve force well in hand. In fact, that picture is
3 improving in the active force and it is improving in the reserve force, but it actually the
4 improvements in the active force, particularly for officers, that is making it more challenging,
5 particularly in the company grades, the ground combat forces that properly get, as it was this
6 rotation, when the (OFF-MIKE) and the 25th Marines of Worcester, Massachusetts, get them into
7 Iraq with the right number of company grades because you have lots of majors and lieutenant
8 colonels in the reserves, and there aren't any second lieutenants in the reserves in ground
9 combat, because they go to the active component first.

10 Having said that, we appreciate the legislative authorities and appropriations that
11 Congress has given us as we continue to lean into the affiliation of bonuses, particularly used for
12 our enlisted in high-skill areas, but increasingly first in the end of fiscal year 2005 and now in
13 fiscal year 2006 to apply it to a broader range of the officer skill specialties, particularly in
14 ground combat, to encourage officers who are not going to stay in the active force to join a
15 selected Marine Corps Reserve unit by using that affiliation bonus.

16 Having said that, our primary weapon system in the United States Marine Corps is the
17 United States Marine and cohesive units, so that is our focus. Of course, there are challenges in
18 the manpower accounts across the total force. That creates pressures on the rest of the accounts
19 which is basically your readiness accounts and your investment and infrastructure and
20 warfighting equipment. So I will shift to that.

21 When I first got involved in this in the 1980s and the 1990s, there was a tremendous
22 amount of focus on using the NGRA accounts, to "fix" the reserve and the guard. In fact,
23 including Marine aviation, where we get our support from the chief of naval operations, United
24 States Navy, and their budgets, the funds were essentially targeted for investment for the Marine

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1 reserve units. The size of the NGRA has dramatically decreased, and in fact correctly, we have
2 been expected to fold the VERS (ph) into the total force procurement for ground equipment for
3 the Marine Corps, as well as ammunition, as well as for aviation.

4 So it is not a reliance on a specialized account. It is literally part of the total force.
5 Because of that, we are facing now a major problem, all of us are, in not only sustaining the force
6 at war, the forces that go forward and again, predeployment training right now are in the highest
7 levels of readiness, but because of the disproportionate density of equipment, and in addition to
8 the combat attrition, relatively low given our historic experience with major war, but the wear
9 and the tear on the equipment is dramatically cutting expected service lives of our ground
10 equipment and quite frankly our aviation. In some cases, cutting them in half or by 75 percent or
11 more, and a lot of this equipment was reaching the end of its service lives as we were ready to
12 transit new equipment.

13 So we in the Marine Corps, we have a re-set requirement for the total forces of \$11.7
14 billion. That is a point in time. If the war goes on for many more years, that figure will continue
15 to be worked, but that is what we believe now. We believe if the war were to end, pick a time, it
16 would take us at least a couple more years to be able to obligate funds to re-set the force. And
17 we are not re-setting the force in the sense of bringing it back to where it was on 9-11. We are
18 providing the active and particularly our reserve Marines who fly the same airplanes, ride the
19 same equipment, shoot the same weapon, use the same communications and electronics gear, the
20 modern equipment that we need for 21st century warfare, not only in Iraq and Afghanistan, but
21 wherever else the nation calls us to go.

22 So most of our reserve modernization is in the baseline, and that is what the Congress
23 should expect from us. Because of the heavy demands of war, where the tables of allowance
24 were not sufficient, you had to fall in on equipment that was not there at the mobilization and the

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1 training location like 29 Palms, and even the active component has pushed a disproportionate
2 amount of its equipment, including the war reserve equipment forward, and that equipment is
3 being chewed up by the heavy nature of combat operations. This year, we have asked for bridge
4 supplementals of \$1.7 billion in procurement for the total force, and then in the supplemental that
5 is before the Congress right now, an additional \$2.9 billion. That is \$4.7 billion out of the \$9
6 billion that we need to take care of the total force.

7 Of course, it is all buried in there. It is kind of like prego (ph). It is all in there,
8 specifically for the reserves, since they were expected to fall in on active equipment, mostly with
9 forward, the actual amount of reserve equipment that has been cross-leveled into forces that
10 remained behind or sent forward is relatively small. So actually, there is only about \$250 million
11 worth as required to actually replenish what they had in their tables of allowance, because what
12 we are doing is, we are changing that force. Reserve infantry battalions are going to look exactly
13 like the active infantry battalions. They are getting distributed operational capabilities,
14 communications equipment, night vision devices, and a variety of individual equipment both
15 individual non-table of equipment, as well as the unit-table (ph) of equipment. So we have over
16 \$200 million worth of requirements just for our nine infantry battalions alone.

17 We talked about rebalancing and restructuring. I talked earlier about the capabilities
18 assessment group. We are in the process of looking at the restructuring, as opposed to the
19 rebalance talked about earlier. There is a shift in both the active force and again in the reserve to
20 take a look at the so-called “tap on that beer cake” (ph) to make sure that we not only can access
21 the force quicker, but that we have the right kind of force to access. Units that were essentially
22 in low demand since 9-11, we are taking a look at how much of that capacity do we actually need
23 active and reserve, and to make sure we have the right balance. Because of that, we will when
24 we are done with the capabilities assessment this summer, there may be some new tables of

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1 equipment from which we will derive the new tables of allowance for the reserve, giving them
2 the same gear that their active counterpart warriors expect to have.

3 The last thing I will say about sustainability, really sustaining the force in terms of
4 personnel, I expect that if the Marine Corps has problems sustaining anything in personnel, when
5 the whole nation has problems. Young men and women join the four services here to defend
6 their country, and of course we expect to be called first and the reserves are actually kind of
7 angry if they don't get called to go first. But efficient use of our mobilization authorities has
8 always been a challenge.

9 It is political authority, our civil authority's decision as to how in a given war and a given
10 situation they actually implement the mobilization authorities, but I tell you it is very distressing
11 to the reserves and the reserve units, and of course to us, when we have to pull individuals out of
12 cohesive combat teams, sometimes using two or three battalions to form one, because of policies
13 of involuntary mobilization in a force that is an all volunteer force and where the reserves are
14 very unhappy that they are being singled out as different than their active component warriors.
15 One standard, one team, one fight, part of the joint team, but Marines.

16 Thank you.

17 BALL: Thank you, general.

18 General Corley, would you have a comment to make?

19 CORLEY: Yes, sir, if I could. Let me try to get at this from maybe a small piece on up
20 towards big, and see if it helps at all, sir.

21 One of the things I guess I would like to put out there is, we may need some help in terms
22 of authorities, authorities to catch up to, in large measure, where we have kind of arrived at.
23 Now, as far as the truth in lending for you, sir, some of this is about efficiencies, trying to take
24 the dollars that we have and be the most efficient, most capable force that we can.

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1 I very much agree with my good friend and colleague, Bob Magnus, with regard to you
2 have to start at the people. So if I drill into, I want to expand a little bit on the mission area. It is
3 not just as I said in our reserve component, we look at new mission growth and new mission
4 areas like space and IO and unmanned. But it is, why can't I take a look at this from an
5 enhanced efficiency and therefore also effectiveness area if I take a look at something like
6 training. That brings me into this authorities piece.

7 I have a great amount of capable, experienced talent that exists inside of the reserve
8 component. If I could have the authorities to have that reserve component doing some of the
9 training that I need for my active force, that might be amazingly efficient for me. I think that
10 would be a value of us considering.

11 Next is I look for mission areas into equipping. We brought on board some new
12 equipment across all of our services that frankly exceeds in many respects kind of the dimension
13 of us human beings. Let's take a look at some of these new airplanes that we are flying. Well,
14 they can keep flying, but it is the human beings that don't keep flying. So when I work some of
15 these enhancements in terms of associations between active and reserve component, I can
16 increase crew ratios. I did not buy a lot more airplanes, but what I did was I found a more
17 efficient way through crew ratio and through organizational constructs to take the dollars that I
18 had to get a more capable force.

19 Another thing as far as how do I do this inside of these dollars that we have, one, I would
20 really look for a way to seamlessly move, if you will, these folks between peacetime and times of
21 war. You know, we did not really have a lull after Desert Storm. When I said in my opening
22 remarks we kind of had 15 years of staying there and fighting this battle, Operation Southern
23 Watch and Northern Watch. There are people at this table were fighting it along with us.

24 One of the things we learned in that period of 15 continuous years is we had to find a

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1 better way to do it. Now, we are searching for some of the authorities to put that in place.
2 Example, as we put forces into and transition them from peace and into war, can we help do this
3 better, our air expeditionary forces? The good news about that for the active force was it gave
4 predictability, predictability to the individuals, predictability to the families. We started to
5 extend that into our reserve component, so it was predictability for the individual, for the
6 families, for the employers. We were better able to leverage and use that talent.

7 So I think these are just illustrations of how inside of the resources we have hopefully
8 made ourselves increased in terms of combat capability and also greater efficient force. So I
9 hope that helps.

10 BALL: Thank you, General Corley.

11 Mr. Chairman, I think my time is up. I thank the witnesses.

12 You know, I noticed all of our, our assistant commandant and our service vice chiefs are
13 all aviators, so that may be a reason why they think so fast and are so good on their feet.

14 PUNARO: You consider those answers fast?

15 (LAUGHTER)

16 BALL: Clever.

17 PUNARO: OK, our next questioner is Commissioner Jimmy Sherrard.

18 SHERRARD: Thank you, Mr. Chairman.

19 Gentlemen, you have answered a lot of the questions that I had so I am sitting here trying
20 to be fast, as Commissioner Ball was just addressing. But one of the real things I would like to
21 go back and piggyback on to what General Corley was just addressing, and ask the other services
22 for just a little more information, if I could.

23 Relative to the QDR's vision of an operational reserve and the things that in fact you
24 have already been addressing that you are doing, are there any specific new capabilities that you

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1 need to develop for your service that we could help you with? The second piece of that is as we
2 look also at the issue of stability operations, again I ask the question, are there any specific
3 capabilities that the reserves will need to have that they do not have today, and what do you need
4 to do for us, or anyone to try to help you with that?

5 And the third major piece of this is, in your view, do you see you using your reserve
6 component or components as in the case of the Army and the Air Force, about the same, more, or
7 less? And depending on that answer, how does your force structure and our manning
8 requirements relate to that? And the third piece of that, which gets even more driving back to
9 what I think I have been hearing you say, but I really want to ask the question, if you don't have
10 equipment today for them to train on because it is forward and it is coming eventually, are you
11 funded as such that they can in fact be fully combat ready? Are we driving ourselves to a tiered-
12 readiness?

13 I know that is a horrible word that you did not want me to say, but that is a major
14 question in my mind because we have to have the people trained. You know that and I know
15 that, but we have to have the funding to be able to do that, and part of that goes back to some of
16 the very recent comments that General Corley was making about having authorities. Are their
17 specific authorities that you need that would allow reserve component members to do things for
18 the active force that are restricted by law and/or policy today? Those are critical issues for us.

19 General Cody?

20 CODY: Sir, thank you.

21 First, on stability, when the chairman asked about the restructuring and rebalancing, that
22 is what the restructuring is about. The restructuring, if I had a chart, and I didn't bring it, but if
23 we looked at the full spectrum of war from high all the way down to civil defense and civil
24 support, military support for civil authorities, that full spectrum, low-intensity conflict and all

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1 that, the full spectrum, during the Cold War, the Army was deployed and employed about maybe
2 five or six starburst on the full spectrum of war from 1950 to 1989. From 1989 until now, it is
3 all over the full spectrum.

4 So we have to restructure this force that we built to fight on the plains of Europe and on
5 the peninsula of Korea. In part of that restructuring, we have to deal with the regular warfare,
6 the counterinsurgency, but still have the lethality, ability, firepower and everything else to be
7 able to fight on the high end. So the restructuring of the Army into a heavy brigade combat
8 team, a light brigade combat team and the Stryker brigade combat team, and then those combat
9 service support formations, we think we have struck the right balance so that the force can do
10 stability operations, as well as the high-end force.

11 Now, clearly we have some shortfalls, and I think General Magnus talked about it, and
12 high-demand low-density, or low-density no-demand. So that was part of the rebalance. And so
13 what we are doing is now we are adding in all three components, we are adding civil affairs and
14 SciOps (ph). We are adding military intelligence. We are adding military police. Special forces
15 is going to grow. We are adding five active duty special forces battalions. We are increasing the
16 Rangers. We are increasing the special operations aviation regiment, as well as adding to the
17 civil affairs and SciOps (ph) on all three components to better give us that capability on the full
18 spectrum.

19 So I think we are on track there, and that will take a detailed brief to you. I will have the
20 people come, Mr. Chairman, at your request to do that.

21 On usage, right now we are under partial mobilization. I believe it is Title X, Code 12-
22 302 or -303, I can't remember which one, deals with partial mobilization. That was written in
23 1953 and we were a draftee force. I submit that maybe we ought to look at that. Does it meet
24 the current environment that we see ourselves in? I happen to believe that that has caused us

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1 some of the problems that General Magnus has talked about in terms of the second and third time
2 of looking at units, having to cobble them together. We don't deploy individuals. We deploy
3 units. And we need to do that. We deploy companies. We deploy battalions. And we need to
4 keep those units together.

5 If our partial mobilization in the code splits that, and causes us for the second time to
6 look at a reserve component outfit and say, oh, 60 percent of you are deployed the first time, and
7 40 percent are brand new because we are constantly putting new soldiers in there, so you can
8 only mobilize the 40 percent of the new soldiers that are in there. The other 60 percent have to
9 be volunteers, and if only 30 percent of them volunteer, then you have to go get another 10
10 percent from someplace else. You are cobbling together these units, but more importantly you
11 are putting the burden on the soldier. The soldiers are volunteers. We should not put that burden
12 on them because that breaks up unit integrity, it breaks up unit cohesiveness, and it breaks up the
13 leadership.

14 So if I could give you an example, in 2001 we mobilized a National Guard unit, and we
15 use up their 24 months right now under the Title X, code 12-302 of 24 months. By the way, it
16 says "consecutive." It does not say "cumulative," but it says "consecutive," but by policy we are
17 using cumulative and we need to understand that. So now you go forward, you have four years
18 later we have not called on that unit, and 60 percent of them have changed, but the 40 percent of
19 them that stayed are the leadership. And they are the last people that you want to have either say
20 you have to voluntarily sign up to deploy your unit again. They all want to go, but we need to
21 have policies that protect them.

22 So they will have to go home to the wife and say, honey, I volunteered to go, or go to his
23 employer and say, I know I left you three years ago, but I volunteered to go again. We should
24 just use the authorities that we have and not put these soldiers in that way and not put us in a

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1 situation where we end up with ad hoc pick-up teams in this Global War on Terrorism. Unity of
2 command and unit cohesion is a force multiplier, but it is a force protection multiplier in terms of
3 giving our soldiers well-led units. So I think you need to look at that.

4 On the usage side, again, the high-water mark, I think, for the Army was Operation
5 Enduring Freedom III, where we used seven National Guard brigades, as well as we brought in
6 the 42nd National Guard Division, the first time we sent a National Guard division since the
7 Korean War into combat. They did very well. Joe Toludo (ph) did a superb job. In fact, I was
8 just there two or three weeks ago welcoming him home on their official reception back in New
9 York.

10 But we need to look at that. It was the 42nd Infantry Division, MacArthur's division, but
11 we had to go to 27 states after three rotations to build that division. It was a National Guard
12 division that was a full component division. We had National Guard units, we had active duty
13 Army units, and we had a United States Reserve battalion. Again, this goes back to our
14 authorities on partial mobilization versus full mobilization and what does it really mean.

15 I think we hit the high-water mark here in 2005. I think we peaked about 168,000
16 reservists on active duty. That has now come down. We have two National Guard brigades in
17 combat now in Iraq and one in Afghanistan. I think we will probably keep at that level, plus the
18 combat service support, and we are going to be more and more using active component soldiers.
19 OIF-3 was about a 54 percent active, 46 percent RC. I think this next rotation we are going to be
20 looking at 70 percent AC, 30 percent RC, again because we have used the cumulative time on
21 these organizations.

22 On the equipment side, I told you we came into this war with shortages, about \$54
23 billion, give or take. So what we had to do when we put those seven National Guard brigades in,
24 for instance, into OIF, we had to tell the First Cav Division to leave 1,500 of their topline

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1 vehicles there as stay-behind equipment. So it is not just a National Guard issue. So when the
2 First Cav went home, they were short 1,500 vehicles, and they have to get ready for the next
3 fight. The same with the 101st. They had to leave 1,700 vehicles behind, the Fourth Infantry
4 Division.

5 So we knew that we had not frontline equipment in these enhanced separate brigades that
6 we sent over. So what we had to do is give them frontline equipment. And we did that by giving
7 them the active duty component equipment. At the same time, we also had some of the National
8 Guard units that had to have good stuff leave theirs behind. So we have been managing that now
9 for the last four years. We are digging ourselves out of this hole, not as fast as we want, but we
10 want to get to a situation where they have the right equipment to train on before they go to
11 combat. Right now, they are training on training sets that aren't where we want to be. When
12 they get to Kuwait, they have the right equipment. It is the best equipment. Then, of course,
13 when they fall in down in Iraq.

14 So that is what we have had to manage through. It is going to take us awhile, until about
15 2009, 2010, for us to get out of this. We are buying the stuff as fast as we can. We have our
16 depots re-setting this equipment 24-7 at all five of our depots, but it is going to take awhile to get
17 the equipment sets for the training that you discussed.

18 SHERRARD: Thank you.

19 Admiral?

20 WILLARD: Mr. Sherrard, I will try to be brief. I am going to touch on new capabilities
21 and stabilities that you mentioned. In many cases, these inform one another, and many of the
22 new capabilities that we have talked about in the Quadrennial Defense Review report are related
23 to current operations. We have learned from that. They are related to the nature of stability
24 operations, and they happen to be adaptable to what the QDR report calls the "long war." It is

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1 basically the theater security cooperation demand that will be placed on all of the services
2 globally for the coming years in an effort to fight this particular long war battle.

3 So in the case of the Navy, we have established a new type commander and a new
4 warfare area. We term is naval expeditionary combat command. Underneath it, we have rolled
5 up a good number of our combat support units, including our Seabees and our security forces,
6 but we are also resourcing riverine forces. We intend to go back into the shallow water. All of
7 this is in an effort to not only service the current operations ongoing in Iraq and Afghanistan, but
8 also be prepared to service our global commitment to the larger Global War on Terror.

9 So expeditionary combat command is a change for us, a change both in organization and
10 in some instances capabilities, and it is fully integrated between active and reserve components.
11 We will have increased demands on our intelligence forces. In the AOR now are our corpsmen
12 and chaplains, Seabees and naval special warfare, obviously, along with our naval forces. They
13 are doing things that have been demanded by this conflict and frankly the counterterrorism
14 demand since 2001 in the form of understanding the maritime domain in new ways, our ability to
15 conduct section operations and interdiction operations in the Navy, those are enhanced
16 capabilities that will require reshaping of the force and its focus of ours, and the reserve forces
17 play as large a role in that as the naval forces.

18 So we are changing shape. We are identifying capabilities that are going to be required
19 to conduct global theater security cooperation, and they are similar to the reshaping that has gone
20 on over the past five years. Most important to us with regard to the reserve component is
21 accessibility. When it comes down to it, in order to be able to conduct these new capabilities, in
22 order to be able to meet the demands of a long war and a global war, we are going to have to be
23 able to access a kind of talent from our reserve community rapidly. The optempo is likely to
24 remain about the same. We have 22,000 reservists engaged in fleet operations at any one time,

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1 and of those only about 6,000 are mobilized. The rest are volunteers and in other ways engaged
2 with our operational forces. We need continual access to that kind of optempo from our reserve
3 component, and that is an operationalized reserve.

4 SHERRARD: Thank you.

5 MAGNUS: Mr. Sherrard, quite frankly, I couldn't agree more with my two colleagues,
6 and particularly representing joint land forces with General Cody. I mean, it is almost
7 uncomfortable how much we have seen eye-to-eye over the past year-plus of the QDR.

8 CODY: I find it very comfortable. What I do find uncomfortable is that I see all these
9 ships here.

10 (LAUGHTER)

11 MAGNUS: What I mean by that is that our experience in war, regardless of the
12 tremendously good differences in culture between soldiers and Marines, and our experience
13 working together in taking a look at these problems, both in the QDR and in the, I will say the
14 real world of force management of our total force, we have come from different directions with
15 remarkably the same view of what we need in terms of some changes in authorities, but mostly a
16 fresh look at policies that allow us to properly implement the good authorities that we have
17 today.

18 As Marines, we intimately rely on the total force Army, and in particular the National
19 Guard. The 155th National Guard Brigade was with the Marine expeditionary force in Al Anbar.
20 This was one team, one fight, and it was a joint team. And they fought well together, as you
21 would expect at the soldier and Marine level, but at the battalion and at the brigade and
22 regimental level. We worked hard inside of the building to make sure that that was going to be
23 even better in the future.

24 Today, the Second and the 28th is fighting alongside Marines from the First Marines

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1 Expeditionary Force. Many of these Marines on the active force are over on their third rotation
2 and some of the Marines such as the First Battalion 25th Marines, to be followed by the First
3 Battalion 24th Marines, are in combat as reserves for their second time in combat operations.

4 So as far as the QDR vision goes, the Marine Corps has made I think a small, but
5 dramatic shift from being a so-called traditional general purpose or clearly naval and
6 expeditionary in origin, but very capable of partnering with our brethren in the Army for a major
7 war, towards more irregular warfare capabilities, less heavy capabilities, smaller, more
8 distributed and more agile, and of course we are just standing up the special forces, special
9 operations command now, which will itself fundamentally start to change the Marine Corps as
10 the more experienced, the more mature, and the more specialized skills that are required of
11 special operations warriors affects the rest of the force. The Marine Corps reserve is not yet
12 affected by that.

13 The piece you had about stability operations and specific capabilities, sir. We believe
14 that although we will change the total force for 21st century warfare, both as we see it today and
15 as we see it in the next generation, we believe that full-spectrum operational capabilities is
16 exactly what the nation needs of its active and its reserve component in the Marine Corps. And
17 they have proven their abilities to be able to do forest fires in Montana, rescue and recovery
18 operations in the Gulf Coast, and march on downtown Baghdad and train Iraqi police and Iraqi
19 military, while they are killing insurgents, right along side, completely in stride with their active
20 component brethren in the Marine Corps and in the Army.

21 There are no serious restrictions in law on the Marine Corps because we are not, we do
22 not constitute a part of the National Guard. The shifting of authorities is simply a decision to
23 activate, mobilize and then decisions on at what point is involuntary mobilization now become
24 something where by policy we are required to now ask for voluntary activation. Now, I have not

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1 been a reservist for decades. I started out in Freeport, Long Island as a naval reservist. I was a
2 seaman apprentice, electronics technician, and I obviously did not do well in that career.

3 But I will tell you that as a married sailor, now a married Marine, it would have been
4 difficult I think in many cases to volunteer to go to war a second and a third time, as opposed to
5 being told by your nation and your service to go to war because you volunteered to be part of the
6 reserve and the guard. So we find ourselves after our first involuntary activation, the first time of
7 a unit, whether it is the First Battalion 25th Marines, the Fourth Civil Affairs Group, that we now
8 are asked to go back and asking the units, and we do this repeatedly to make sure that we get the
9 honest answers. Of course, the pressure for this is perceived differently, and do you want to
10 volunteer. We will only take a volunteer.

11 Of course, now that means you go back home and you have volunteered to go to war.
12 Your employer knows that you have volunteered to leave the job. I know there are legal
13 protections on this, but the perceptions in a volunteer force of involuntarily asking a Marine or a
14 soldier or an airman or a sailor to go with the cohesive warfighting team that he was trained and
15 he joined and was ready to go to war with, leads us now to end up cherry-picking and forming
16 pickup teams. As I said earlier, sometimes going to two battalions to form one, or three
17 battalions to form one, and quite frankly, they go to war as eager and as professional and as
18 focused as they can, but you have to admit that when we send them to war, that they were better
19 as the cohesive units that they knew as individuals than putting a team together literally within
20 weeks of their pre-deployment training and going to war.

21 So I believe that the service secretaries and the service chiefs should have greater latitude
22 in being able to use the involuntary recall after the initial call-up of our troops, because it makes
23 them better in combat, which means they are safer in combat, which means they are more likely
24 to do their mission quicker and come home in the same condition that they left.

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1 SHERRARD: Thank you.

2 CORLEY: Sir, you asked about capabilities. It is probably a bold statement for me here
3 and for my service. I know of no capability area, no mission area that our reserve component
4 currently does not contribute to today or we would not in the future examine their contribution
5 to. No mission area, across all of our missions, be that those that I have discussed, or even to
6 pick up on my other service colleagues here, items like consequence management and disaster
7 relief, both inside of our total force and as we partner with our other colleagues. When we look
8 towards the future of a joint cargo aircraft in partnership with our Army colleagues, that is
9 another example of how we are growing this from the inside out in being more capable.

10 To get to your question on tiered readiness, can't go there. When you consider
11 capabilities, when you consider mission areas, when you consider that defense of this homeland,
12 Noble Eagle sorties, the preponderance of which are contributed and flown by our reserve
13 component, I cannot have tiered readiness. Every day they have to be trained and ready to stand
14 up.

15 As I think about the beams, the bombs, the bullets that are flown into this Global War on
16 Terrorism on an everyday basis and just think about strategic lift to get them, and then intra-
17 theater lift to move them around inside of countries like Iraq and Afghanistan, 45 percent of the
18 C-5 sorties reserve component, 50 percent of the C-130 sorties from our reserve component. We
19 cannot have, if you will, any tiered readiness. We have to be able to do it.

20 Now, truth be known, we also have a luxury. We deploy smaller units. We can step a
21 crew to a C-5 or to a C-17 so we have an opportunity, a luxury for us to use those interdependent
22 aspects of our force. It also allows us to encourage and have a great opportunity for
23 volunteerism as opposed to mobilization. It also begins to speak towards some of the authorities
24 that we would like to continue to have. We would like to both inside of our service and through

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1 our department and with your help examine breaking down some of the bureaucracies that exist
2 down there, so that we don't turn to try to do, if you will, or use this phrase maybe, a faster, if
3 you will, turn to a Title X man-days, as opposed to trying to get through the bureaucracy of
4 mobilization.

5 So sir, I hope that helps from a no mission or capability area that you are not a part of, or
6 we would not want our reserve component to be part of.

7 SHERRARD: Great. Thank you so much.

8 Thank you, Mr. Chairman.

9 PUNARO: Great. Thanks.

10 Just to alert the witnesses, we only have two more questioners on our end, so you are in
11 control of your own destiny at this point.

12 Commissioner Stanton Thompson?

13 THOMPSON: Thank you, Mr. Chairman.

14 I have just actually one question, but I have to kind of set the stage for it. Not too long
15 ago, several of us had the chance to visit U.S. Northern Command and talk to the folks out there.
16 We came away with basically two themes. One, their problems are somewhat different. The
17 problems they face as a combatant commander in their area of responsibility is somewhat
18 different than the problems of the other combatant commanders' areas of responsibility.

19 We came away also getting a better understanding of some of the frictions between state
20 status, Title X status, Title XXXII status, Title XIV status, and there are two or three other
21 statuses in there. And then recently was published the after-action report for Katrina.
22 Particularly I noticed that the recommendation number 27 states, in addition to the National
23 Guard, the other reserve components of the military services should modify their organization
24 and training to include priority missions, a priority mission, and that is not defined in the

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1 statement, but we talk about words. I would like to know what you think about that term, to
2 prepare and deploy in support of homeland security missions.

3 And then recommendation number 30 goes farther to say that DOD should consider
4 assigning additional personnel to include general officers from the National Guard and the
5 Reserves of the military services to U.S. NORTHCOM, to achieve enhanced integration of active
6 and reserve component forces for homeland security missions.

7 Yesterday, some members of Congress suggested to us that the commander of U.S.
8 NORTHCOM or maybe possibly the deputy commander of U.S. NORTHCOM be a reserve
9 component, and that was inclusive of National Guard or Title X flag or general officer, as either
10 the commander or the deputy commander.

11 So my question is, should the National Guard and Reserves modify their organization and
12 training to make homeland security a priority mission?

13 General Cody?

14 CODY: OK, I will try to run through this quickly. First off, I don't agree with that. I
15 think what we need to do is establish the baseline formations and structures that we need for this
16 country to fight and win wars, and do it in such a way that we have the agility and flexibility so
17 that we can hit the full spectrum that I talked about of which you can take an infantry brigade
18 combat team, for instance, and it can go out and do pretty good about forest fires. It could also
19 distribute food here. It could take care of security missions and everything else. But we need to
20 equip it and train it and form it to be able to fight and win America's wars.

21 So I think we are on the right track. What we did was, as we looked at restructuring and
22 rebalancing, we looked at aviation, engineers, security, transportation, medical, chemical,
23 maintenance, logistics to include mortuary affairs, signal and command and control. As we
24 looked at those cross-cutting capabilities that we think that we would be asked as an Army,

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1 active, guard, and reserve, and I emphasize “active” also because when you look at Katrina,
2 remember we put the First Cav Division there and the 82nd Airborne Division also, as well as
3 half of those helicopters were active duty helicopters that just came back from the fight. So that
4 was a one team fight in there, not fight, but one team reaction, 49,000 U.S. Army soldiers, active,
5 guard and reserves, in Katrina response in less than five days.

6 So we looked at those cross-cutting capabilities and said, do our formations that we are
7 building, are able to do that also? And the answer was yes. So we think we are on the right track
8 and we probably need to again, Mr. Chairman, bring this in so you can see it, but we think we
9 have struck the right balance.

10 I think Northern Command needs to answer the question on what he wants to do as
11 combatant commander with his general officer structure. What the Army has done is we stood
12 up ARNORTH, Army North under General Bob Clark, and so that gives him an Army
13 component commander, and General Clark has two reserve general officers on that staff as
14 deputy commanding generals to ARNORTH that he will plug into Northern Command when
15 Admiral Keating needs that force for any type of consequence management, hurricanes and the
16 like. But I think probably the committee ought to discuss this with Northern Command in terms
17 of how he would like that structured. I really do not have an opinion on that.

18 THOMPSON: OK, thank you.

19 Admiral Willard?

20 WILLARD: Thanks, sir. The Northern Command has been around several years. We
21 have been managing an alignment to ensure that he is adequately supported, so we support joint
22 headquarters at Northern Command now, both officers, reserve and active. So he is supported.
23 We have also organized ourselves around our homeland security, homeland defense
24 responsibilities as a Navy from CNO on down. So we have a fleet forces command that is our

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1 fleet operator and also happens to be the Northern Command Navy component headquarters.
2 We also have a regional commander and we have the United States divided up into regions, and
3 we have a commander of naval installations, and he has the pulse of all those regional
4 commanders.

5 Within every region are reserve component members that are both sailors ready to
6 support the fleet, and minutemen ready to support this nation. As we saw unfold with Katrina-
7 Rita and the disasters down south, they did just that, often without orders. They just did it
8 because it is part of their charter as reservists when the nation needs them. So we think that both
9 organizationally and from a standpoint of support to the headquarters, we have and will continue
10 to support the Northern Command commander.

11 In terms of the modifications that might be called for we are evolving our training and
12 exercise levels of effort with Northern Command. We have a responsibility in maritime services,
13 the U.S. Coast Guard, Navy, to maintain understanding of the maritime domain, so maritime
14 domain awareness is a major responsibility of the Navy and Coast Guard, and we are working
15 and exercising more frequently and jointly with the other maritime services, and coordinating
16 with NORAD to understand what is on the water and to protect our coastline.

17 As I said for purposes of the current operations in Iraq and Afghanistan, and our
18 operations on the water there, we have increasingly developed the skill to conduct maritime
19 interception and maritime interdiction and those kind of skill-sets play in support of Northern
20 Command homeland security and homeland defense. So we believe that as he grows, as that
21 command grows in capability, we are prepared.

22 THOMPSON: OK.

23 General, sir?

24 MAGNUS: I agree completely with General Cody and Admiral Willard. Of course, my

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1 Corps again not constituting part of America's National Guard, I am not aware of what Admiral
2 Keating's views are on his needs for guard or reserve changes in terms of his headquarters and
3 command elements. What I can tell you is that Lieutenant General Jack Bergman, who is the
4 commander of Marine Forces Reserve, is also Admiral Keating's Marine component as Northern
5 Command, and that is not Northern Command as a reserve unit, but it is the total force Marine
6 Corps component for Northern Command. He has a dedicated portion of his staff that does that,
7 and again we have previously had, before there was a Northern Command, 12 reservists,
8 principally majors, experienced, to be able to support FEMA in its role. Of course, FEMA is
9 now under a different construct than it was, but each one of those were designed to a FEMA
10 district. They are now assigned to Northern Command as Northern Command does its planning
11 not only with DOD and Joint Forces Command, but also does its planning with the other
12 executive, state and local agencies.

13 So much as with the Army and the Marine Corps, if there are forces that are needed for
14 whatever range of military capabilities that are needed for the homeland defense part of
15 homeland security, the total force Marine Corps, active and reserve, are available through Joint
16 Forces Command. And of course, if Admiral Keating needs Marines directly, he can reach out
17 and touch Lieutenant General Bergman.

18 One thing I will say about this, and again, I cannot agree more with General Cody. We
19 need warfighting units, our active and reserve force, properly balanced, properly structured,
20 properly equipped and properly trained, active, reserve. They are capable of doing the full range
21 of military operations. The same units that we put together after the Tokyo Aum Shinrikyo
22 attacks Cbor (ph), is capable of providing chemical, biological response here, or it is capable of
23 going to (OFF-MIKE) (ph) or it is capable of going to war. We will go where the president and
24 the secretary of defense need us to go. The same units, active and reserve, can do JTF Los

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1 Angeles and have need for domestic use of military capabilities, or to support their fellow
2 Americans in Katrina, are the same ones that can deploy to Pakistan, to Shinikari (ph) and
3 Musharaff Bat (ph) to be able to earthquake relief. And, of course, they can do mudslide relief
4 and recovery operations in Luzon.

5 What I am saying is, overseas capabilities are the range of military operational
6 capabilities that can also be used here when America needs them at home, instead of where they
7 are structured, where they are trained and equipped, which is to go play away games.

8 I will say one other thing, is that we need a robust partnership overseas as well as at
9 home. There are other federal and state agencies that can work with the Department of Defense
10 on planning, on equipping, on things like command and control and what I call homeland
11 security reserve stocks, so that when the reserve and the guard and the active forces fall in, they
12 will fall in on folks as well equipped to do their part of the mission as those who are in uniform
13 are already equipped to do ours.

14 Thank you.

15 THOMPSON: Thank you.

16 General Corley?

17 CORLEY: Sir, let me add my voice to the choir here. I want to start, I think, with
18 General Cody's word when he said "flexibility." Let me put in a sentence if I can. I would be
19 worried that our reserve component lose flexibility if they were training just to the specific
20 mission, as opposed to trying to meet a capability requirement. I would really worry about that.
21 I think in my opinion is that would be a bad thing for us overall.

22 As I kind of take a look at what we do today and how we train and the kinds of people,
23 now I am kind of piggy-backing along with Bob Magnus on this one, whether it is consequence
24 management or defense of the homeland, or whether it is disaster response, the types of training

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1 that you do that get you general purpose security forces or civil support teams or medical types
2 of response, or communications or logistics or transportation or engineers, they can be used in
3 those areas.

4 So I would not want to lose flexibility by carving out niche areas, and I frankly think all
5 of us collectively are doing an awful fine job as far as the training inside of both our reserve
6 component and our active side of the house. We are trying to do this not just on a federal level,
7 but we are trying to do it on a state level. All of us collectively sit down with Steve Baum (ph).
8 We try to sit there and understand, OK, what are the 10 essential areas that he is trying to focus
9 on? How do we help him with maintenance, aviation, engineering, medical, communications,
10 transportation, security and much more? How do we contribute to that?

11 In terms of NORTHCOM, Tim Keating is a brilliant individual. If there is something
12 that we need to help him our organizationally, we will sit down along with consults with you and
13 try to find out how we do that better organization.

14 THOMPSON: Thank you.

15 Thank you, Mr. Chairman.

16 PUNARO: Our next questioner is General Jack Keane, who spent several tours in the
17 congressional cycle sitting in the witness chair out there as the vice of the Army. So we have
18 urged him to be the kinder-gentler Jack Keane here this morning, but we will see how that goes.

19 General Keane?

20 KEANE: Thanks, Mr. Chairman.

21 I really appreciate your taking the time to be here this morning and also the time to
22 prepare for it. I have some sense of what that is like, and also for your staff that is here, that had
23 to also get ready for another hearing. I know that is the last thing you want in your kit bag is an
24 unscheduled hearing like you have this morning with us. So it is appreciated.

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1 Just let me say publicly how much we truly appreciate your men and women who are
2 serving this country at war with honor and courage and they truly represent the very best of what
3 this country has to offer. And thank you for your leadership.

4 You know, as we rid ourselves of the Cold War, which was almost dealing with
5 communism itself was a 70-year experience and the Cold War itself, you know, probably 40 or
6 50 years of it. We turned this century and we turned it in an unprecedented way because we
7 began a volunteer force in 1973. And you and I know, we have served in that force, how
8 remarkably successful that has been. It exceeded everybody's expectations, and it coincided
9 with the United States military being, I think rightfully so, achieving a preeminent position in the
10 world as a military force. The volunteer force has much to do with that, in addition obviously to
11 our technology.

12 But post-9-11 has introduced us to a formidable responsibility. We are looking at the
13 21st century and we are telling ourselves in the QDR and other thoughtful people are also telling
14 us that the struggle we are in with radical Islam may last in fact most of this century. So thus,
15 the term the "long war." And what we are all struggling with, what you are dealing and what we
16 are struggling with here, at least for a short period of time, is can this volunteer force really meet
17 that requirement? It is not preordained that it will continue to be successful. It has been
18 successful for 30-plus years and we are blessed with it.

19 I am certainly not an advocate of doing anything but continuing it, because to go back to
20 what we had experienced in the past, while helpful to the nation, it has not been as dramatically
21 useful as this volunteer force has been. So the thought is, it is unprecedented, I think, what we
22 are trying to do. I mean, we are already involved in a protracted war, four years we are turning,
23 three years actually fighting, three-plus years in Iraq, and we have many more years to go. So
24 the issue is, and here the subject is the reserve components, can we sustain the quality of this

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1 force and the quantity of this force throughout that period of time?

2 In that light, I would just like to ask a couple of specific things. If you have a view, just
3 say so, and if you don't and you want to pass on the question, that is fine. But one is training
4 itself. I mean, we are saying to ourselves we were going to change the training model, and it
5 makes sense. We want to train less after we mobilize and more before, and therefore have a
6 higher ready force. So the first question would be, is our current training model, this 39-day
7 model that we have for reserve components, then at the same time underscoring the fact that it is
8 a part-time force. Can we really meet it with that model? That is number one.

9 Then number two is our rotation policies. Now, each of you have difference, four
10 months, six or seven months, and then the Army is a year. Can we sustain our rotation policies
11 that we have in this long war? You know, General Cody, Secretary Hall was here yesterday and
12 we asked him this question. He does not believe that we can sustain the one-in-six that is an
13 Army policy, because the employers, he believes, are not going to support it, and because it is
14 not 12 months, as we all know, at least right now it is more like 18 months every six years. And
15 in his discussion with employers out there, he believes it is not supportable.

16 And then the third point I would have is, I agree with the premise that if we go to
17 specializations of units, actually we deny ourselves the flexibility of a smaller force, which we
18 are. A volunteer force is by definition a smaller force than a conscripted force. So the more you
19 specialize with that force, the less flexibility you have to do all your tasks. I think you are right
20 on the mark. But is there room in that force for some units to, because of the people's interests,
21 the employer support that they have, the nature of their full-time work, to organize some units
22 around a higher frequency of deployment, which would duly receive compensation at transfer,
23 which would provide some measure of relief from rotation cycles.

24 So those are my three questions. We will always start with the senior service here,

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1 General Cody.

2 CODY: I am having a groundhog day, General Keane.

3 (LAUGHTER)

4 First off, I agree with your comment about the long war. We have studied this. We have
5 talked to General Abizaid. I just returned from Iraq. In the Army, as well as on the Joint Staff,
6 we have been studying this enemy. I believe the American people, one of the things I think this
7 mission can do as you study and wrestle with these issues that you all brought up today, it ought
8 to be in a strategic context. I think the American people need to know that we are facing a very
9 patient, determined and adaptive enemy that does not like us, and it is going to be at it for a long
10 time.

11 If we are going to sustain this all-volunteer force, the first thing is the American people
12 have to understand what we are up against. The American people have to be just as determined,
13 just as patient. And we need to be talking about things like call to duty and service to this nation.

14 So I think that would be my first reply back to you. I think we are in this for the long
15 haul. I think your concerns about the all-volunteer force, I have testified that I have been
16 worried about it. I have two sons. My oldest son is on his third combat tour in four years. My
17 second son is on his second combat tour. He is married with a six-month-old child. He has seen
18 it for about three weeks. That cohort of those two young men, they have a lot of friends, so I get
19 to hear this. We are concerned about it, but how can we hold this all-volunteer force together
20 with what we are doing right now?

21 We have to fully equip this force because they have an expectation now. This is the best-
22 equipped force we have ever put into combat. Despite all the discussions about sappy plates and
23 all the other things, this is the best-equipped force. Take a look at the videos of the Vietnam
24 soldier. Take a look at the videos of the Desert Storm soldiers. Take a look at the videos of who

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1 marched up the ridges in the Normandy invasion. And then compare them to the soldiers you
2 see on the streets in Baghdad, or the Marines you see out there in the outlying provinces. This is
3 the best-equipped soldier. They expect this, active, guard and reserve, and we have to deliver
4 now. So the first thing we have to do is fully equip them.

5 The next thing is we have to have forward units. And the third thing is the investment in
6 leadership. The leadership development programs that all the services had, and we have built
7 because of this all-volunteer force, we have to continue to invest in. The reason why I believe in
8 my service, and I am sure it is true in the others, why the soldiers are staying with us and
9 reenlisting. I reenlist 150 soldiers in combat, five and six years they took, not two, not three; 150
10 of them in one day took almost five to six years, each one of them. Why did they do that?
11 Because they are well led, because they know their leaders care about them, and they right now
12 this country cares about them, but they also know we face a long war. What we have to do is
13 keep them connected with the American people, and we have to deliver to them equipment,
14 training, people, as well as good leaders.

15 And then the other piece we have to do is we have to deliver on BRAC. BRAC will be a
16 big deal as we follow through on this and hold this all-volunteer force together, active, guard and
17 reserve. We have to put quality of life big time into our post, camps and stations, and our
18 training areas. And then I believe this all-volunteer force, this generation will stay with us. But
19 if we do this on the margins and Americans lose their patience and people take their eye off the
20 ball and start worrying about other things that are less important than the fact that this enemy
21 wants to take us down. We have to stay focused on it, and I think you can help us as you go
22 through and wrestle with your recommendations about how we ought to be treating the active,
23 guard and reserve, but put it in a strategic context of how we sustain this all-volunteer force, and
24 I think it would be very helpful. That is how I see, General.

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1 KEANE: What about the 39-day training?

2 CODY: I think we have to move to a train, alert, mobe, and deploy. And I think we need
3 to adjust the 39 days. I think it goes with leaders first. We have to have the authority so we can
4 get leaders and lieutenants trained up before their units. And so it is probably more than 39 days
5 for them. As they get into the cycle that we call the Army force generation model, and the third,
6 fourth and fifth year where we want them to be available for deployment, it is going to be more
7 than 39 days, and we have to have the authorities to adjust to it, because we will not have the
8 time if we have to do another one of these (OFF-MIKE) operations to keep this going.

9 I don't know the number of days. We are studying it. But we know that we can't deal
10 with the long post-mobilization training because it eats at, as you said, if we have a 12 months
11 boots-on-the-ground, it is really 19 to 20 months total mobilization. If we can do a better job up
12 front, then we can less post-mobe training and move right in. I think that would be helpful to us.

13 KEANE: And the one-in-six rotation, can we sustain it?

14 CODY: The one-in-six is the baseline we are using right now for the one year in, five
15 years out for the National Guard. In other words, we deploy you for one year. We will not bring
16 you back into combat, or have you in the available bin for five years. We are trying to get a
17 predictable model. We are moving into it now. And with the AC, it is one-in-three, which is
18 pretty tight for the AC.

19 KEANE: Does anybody else have comments?

20 WILLARD: I do. First, great comment regarding our need for America's public support
21 for our efforts. General Keane, your comment with regard to the importance of the all-volunteer
22 force, if overmatch of our enemies is what we seek, I would argue that our all-volunteer force is
23 the main reason we are achieving that overmatch, and that perhaps jointness and our
24 technological edge are the other two. But we have no choice but to sustain this all-volunteer

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1 force if we want to sustain this (OFF-MIKE).

2 There are numerous variables to the question you asked. There is a change that I think
3 we have all undertaken to manage expectations of our reserve components differently than we
4 have in the past. There is a change, frankly, in our active components as well, driven by the
5 current operations where we have attempted to develop a Navy that is not only rotational. We
6 have always been a deployed force, along with our Marine Corps colleagues, but at the same
7 time we are a surge-able force, and there had to be an expectation, an understanding of our force
8 that they are prepared for both, that there are regular deployments and they have to be on-call to
9 go soonest if this country needs them.

10 In the same way, our reserve component has to be inculcated with an expectation that
11 they will serve. And we can debate serve rotations, one-in-six, but at the same time, the
12 expectation that our reserve component is there to serve, contracts to serve, and that there are
13 different flavors of service I think will help us sustain this all-volunteer force in years to come.

14 On any given day among the Navy reservists, we have about one-third that are standing
15 by for mobilizations, and one-third that are out and about right now, 22,000 reservists that are
16 supporting the operational force and are operational, and one-third that maybe supporting us
17 somewhere between 100 and 365 days a year. There is a volunteer reserve component that is
18 extremely active in coming forward and supporting our operations. And the more flexible we are
19 to manage the volunteer segment of our reserve force, the better.

20 To your point with regard to should there be units that are better prepared to deploy on
21 short notice, made up of the reserve component, in my statement I think in the QDR report, that
22 kind of capability is called, and we would in fact like to have units that are made more ready and
23 units that have contracted with an expectation that they are short-notice units, such as their
24 employers know that they are short-notice, their families know that they are short-notice, their

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1 expectations with regard to readiness to surge and be part of the called-for operation is
2 established.

3 KEANE: Would you agree that they could be called on more frequently than the normal
4 rotation for the service?

5 WILLARD: Yes, were we able to manage to that. And then I think in balancing all of
6 this and sustaining this all-volunteer force, there is optempo and light-job Navy balance called
7 for certainly. In length of deployments, the Navy for many, many years has attempted to work
8 six- or seven-month deployments because we are an inherently deployed force, because we
9 found that to be sustainable over the long term. And to the extent that we can manage the
10 optempo six or seven months, we have found that that works, and that the balance is struck in
11 that way between the training demands, the home demands, and the deployed demands of our
12 force.

13 Of course, we are a surge force, and there are times when greater deployment duration is
14 called for, and our forces, like the Army and the Marine Corps and the Air Force, have been
15 deploying as needed for this particular current operation. In the long war, it will be of great
16 benefit to find the medium that affords our reservists, as well as our active component, that
17 balance.

18 KEANE: Thank you.

19 General Magnus?

20 MAGNUS: It is a pleasure to be here with you and the members of the commission this
21 morning.

22 Let me go straight to your answer and then elaborate. First off, again I agree with both of
23 my colleagues, and groundhog day with General Cody.

24 In terms of a 39-day training model, America is a unique society in the way we have

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1 evolved our all-volunteer force. It is different than anybody else, and I am watching as the
2 French now are getting out of conscription and into a smaller, just like we did, more professional
3 and more career force. The Marine Corps is a much younger force than our three service
4 counterparts. We have about 60-some-odd percent of our forces on their first and only
5 enlistment as enlisted or officers, and that works just fine. But as training and combat
6 experiences are making a tremendous investment in our force, even the Marine Corps is slowly
7 starting to age, and our top six enlisted grades are going up from 52 percent to 53.2 percent.
8 That is not a big deal until you change that into dollars, and that becomes very heavy.

9 But in terms of the 39-day training model, we have all got great friends in other
10 militaries, and the societies are not all voluntary. But if you expect to routinely use, especially
11 the selected reserve units, call them up more frequently and use them in place of your active
12 components more regularly, then I go and take a look at a society like Israel where they do that,
13 and they have been in a long war for a long time. But the society has got to be ready for that. I
14 mean, to routinely call up a BCT or an RCP or battalions or squadrons, and say, yes, we could
15 pay them more money, and yes, we could find a select group of individuals in a certain number
16 of states that would do that, but this is kind of like a social change. The society has got to
17 understand that instead of increasing the end-strength and capacity of its active force, we are
18 going to increasingly change the way we use the reserve.

19 It is different for each one of the services because I know my Air Force counterparts
20 routinely use a significant portion of Air Force reserve and the guard, like air mobility missions.
21 Again, you already have a part of society in some cases with skill sets and jobs and maturity and
22 stability, where that is not disrupted. If we are talking about combat engineers, infantry, military
23 police, we are cutting across a much broader swath of the society, and when I think about the 39
24 training days, I do not think that whether the number is right. It is more important how much did

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1 you do it all together. They don't want to be known as weekend warriors, but most of their time
2 is on weekends. You can't do very much individual and small-team training on a series of
3 weekends, and then expect to bring it all together either in 14 days in the summer or in a few
4 weeks before you go to war. So yes, I mean, the concept of 39 days, that seriously needs review.

5 KEANE: Because that model grew out of the Cold War, when we all knew we would
6 mobilize these forces and they would have considerably more time to prepare before we
7 deployed them.

8 MAGNUS: Yes, sir. And back then, it was strategic reserve in many cases. These were
9 replacement individuals, and replacement companies, and so they were literally seen to be either
10 to exploit success or to be able to reinforce what was becoming a difficult situation. We have
11 used them differently since Desert Storm. You are absolutely right. I agree with General Cody.
12 I do not know what the right number is, but I think it is more like how do we use the number,
13 than whether 39 ought to be 50.

14 The second question about rotation policies. The nature of the long war, and I agree, I
15 don't know whether it is a century-long war, but it is certainly a generational war. And we are in
16 the arguably the second campaign in Iraq and I don't know where we will go next, but obviously
17 we have global forces engaged in this, not just Afghanistan and Iraq. Our Army and Marine
18 Corps ground combat units, particularly infantry-heavy units, they are in a 1 to 1.3 turn ratio. I
19 mean, their dwell-time back home is not much more than their time overseas. Now, whether it is
20 six or seven months for the Marines or 12 months for the soldiers, they come home, they spend
21 another seven or eight months or another 12 or 13 months, and they are back.

22 So for us to be able to expect to bring as a policy that will not only be used, whether it is
23 one year and six or eighteen months and six, what happens in year seven? Because as a policy,
24 we think we are going to re-set this in year seven. Are the employers going to re-set it in year

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1 seven? Are the families and the communities going to re-set it in year seven? Well, if this the
2 society as a whole was at war, and the society might have a different attitude about an 18-month
3 activation or whether in year seven you have to remobilize, and I am not talking about just partial
4 and total mobilization. I am talking about how do you sustain the total force using the guard and
5 reserve in the seventh and subsequent year?

6 I don't know the answer to the question because I think it is a societal question, because
7 if the society is at war, I know the president has us at war; I know the members of the Congress
8 feel that way; I certainly know everybody, particularly in uniform in the Department of Defense
9 is that way, but I have literally scores of civilian colleagues, many of them have never served,
10 they will quite honestly tell you they don't think the society feels like it is at war.

11 So I don't know the answer to that one, because when we start talking about specializing
12 units in the guard and reserve, and essentially how will we do it, we will pay them. And so if we
13 want to do that, do we want to do that in the active component or do we want to do something
14 different in the guard and reserve? We can do whatever we want to do. The more traditional
15 way for us would be to take a look at, again, what is the right balance here between active and
16 reserve, and if in fact we insist that we will only use them one in six, then maybe we don't have
17 the right constitution in the active component to allow that to be sustainable.

18 The last point I would make is again about cohesion. The society and the individuals that
19 are in uniform, they are under a tremendous amount of stress and they are doing awesomely well.
20 They will continue to do awesomely well as long as they feel that they are supported at home.
21 And quite frankly, although the right that we protect here for people to disagree about how we
22 got where we are and where we are going, I think they are greatly supported at home. I think
23 what is necessary for us with an all-volunteer force, really an all-professional force, is that if we
24 are going to make the change, it should be consistent for how we are allowed to use our reserve

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1 and guard forces, that they and their families need to know that, and that once that change is
2 made, whether we go from 39 days to 50 days, we decide that one in six is not sustainable, we
3 are going to change it something else, it ought to be consistent with the society's needs for a
4 nation at war.

5 Once those two dots are connected, I think you already have overwhelming support. The
6 question is, overwhelming support for what policies, because it is not the law. It is the way the
7 policies are perceived at the level of the lance corporals and their families and their communities
8 when they go to war for the second time and the third time and the fourth time.

9 Thank you.

10 KEANE: Thank you.

11 CORLEY: Sir, let me pick up on Bob's couple of words with continuing and change.
12 First, the fact, and it may be a luxury for the Air Force, is we look at total force integration, and
13 pretty soon we are moving beyond that word "integration" and just thinking integral and then
14 very soon I hope that we just quit talking about it and just talk about our one force.

15 I really applaud Dick Cody when he talked about volunteerism because I think you are
16 right. That is one of the things that is going to make sure that we are able to sustain this. I met
17 one of Dick's sons in the hallway, and just kind of shared the thought process just before Dick
18 kind of hammered me on it. My dad started out Army Air Corps, stayed for a full career. I
19 volunteered also. My daughter Lisa, the oldest one, has volunteered; three out of the four
20 children in the family are either currently in or in ROTC programs. We have to sustain that level
21 of commitment.

22 Through volunteerism, we not only sustain the numbers of people, but the quality of the
23 folks that we have in. The only part that Dick got after me was he said maybe the only person
24 that got this right was my dad because it was Army Air Corps when he got in.

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1 (LAUGHTER)

2 You know, sir, another thing you talked about was long war. In our collective
3 deliberations, as we are trying to help the department on this Quadrennial Defense Review and
4 Global War on Terrorism, that is right. I kind of went back to some of my earlier thoughts about
5 we never left the desert after Desert Storm. It has already been pretty long for us. And so since
6 we had a little bit of that in our kit bag, we started trying to figure out what do I do about the
7 long part. And here is where I want to kind of join in with Admiral Willard as far as something
8 that has been helping us. I don't know the applicability of it, but it is that element of
9 predictability.

10 Given that we came up with a construct of our air expeditionary force and could get some
11 predictability about it, and then work that not just on the active side, but on the reserve side, that
12 helped us for those deploying forces because it was predictable. Now we are trying to grow that
13 inside out again and say, I will bet there are new mission areas inside of our reserve component
14 based on their training or experience or qualifications, that we can give them some predictability
15 in other new mission areas. And it is not just predictability for the individual or for the family,
16 but it also hopefully will allow us to have some predictability back here at home, and retain the
17 volunteerism, and sustain, if you will, the quality of those.

18 I think as we try to catch up on doing this, one of the areas that we need to look at is
19 policy. We need to look at processes. We need to look at laws that can enable a continuum of
20 service for those folks in the reserve component. How do I move somebody from minimally
21 today to moderately to maybe almost full-time service without any detrimental effects? One way
22 might be that predictability side of this.

23 As far as training, I have to keep them trained, as I said in my previous remarks, because
24 they are involved moderately to full-time today. We have to break down, if you will, for that

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1 sustaining and volunteer force some of the, if you will, items that cause us to maybe have
2 differences. Aviation continuation pay targets, why do I have differences in there? I need to pull
3 those apart. Then I also talked about some Title X things that appear to be inhibiting us right
4 now and I look forward to working more with you and with the rest of the commission on how
5 we make sure we can fully integrate, become integral, and just think of ourselves as a single
6 force.

7 KEANE: Thank you. I truly appreciate your comments. I certainly agree with them, and
8 particularly the comments about the nation being at war and the American people's involvement
9 in it. We talked a little bit about that yesterday, and we will probably do so again this afternoon
10 in terms of a social compact with the reserve components and also with the American people to
11 manage expectations about what is taking place.

12 If we are honest with ourselves and we sort of backed out of strategic reserve into
13 operational reserve de facto based on requirements, based on what drove it. And the
14 expectations were changing as the requirements and the threat were changing. We got to a point
15 where we realized we had to redefine it and come up with a new name for it, and we have
16 operational reserve. There is still a pregnant issue out there in terms of a true understanding of
17 these long-term expectations with our reserve components, with our active forces, and also with
18 the American people themselves. It is something that is needed I think.

19 Thank you for your time.

20 PUNARO: We thank you for your testimony here today. It is going to be extremely
21 helpful to us as we fulfill our statutory mandate. We look forward to a continuing dialogue. I
22 know one thing we are going to be very interested in following up with you and your staffs on
23 are what laws need to be changed. I have heard some things here today that tend to go in that
24 direction. So we look forward to working with you on that.

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1 But more importantly, we thank you for what you do each and every day for our men and
2 women in uniform and their families, whether they are active, guard or reserve, and we look
3 forward to helping that in any way we possibly can.

4 For those that are planning to attend our hearing this afternoon with our outside
5 witnesses, we are going to start at 1 p.m., vice (ph) 2 p.m.. Be here in the same room. The
6 commission will stand in recess until 1 p.m.

7 Thank you again.

8 (RECESS)

9 PUNARO: Good afternoon.

10 I would like to welcome our fourth panel of witnesses in this first round of hearings by
11 the independent Commission on the National Guard and Reserves. As I noted at the outset, the
12 centerpiece of our congressional tasking is to assess the current roles and missions of the reserve
13 components and identify appropriate future roles within the context of likely existing and
14 emerging threats. Only by understanding what we want our reserve components to do can we
15 determine how they can be best organized, trained, equipped, compensated and supported.

16 Yesterday afternoon and this morning, we explored this multifaceted issue in
17 considerable detail with the senior Department of Defense and service leadership. We also heard
18 yesterday morning for our witnesses' benefit, from the senior leadership of the Congress, the
19 chairmen and ranking members of the authorizing committees, the veterans committees, the co-
20 chairs of the guard and reserve caucuses in both the House and the Senate. So we got extensive
21 guidance from the authors of the legislation, what I would call kind of marching orders and a lot
22 of food for thought.

23 For this panel, we have invited two subject matter experts with extensive experience in
24 the defense arena to give us the benefit of their perspective on the broader policy issues that

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1 underlie our current national security strategy. Our panel members are Michele Flournoy, senior
2 advisor in the international security program at the Center for Strategic and International Studies;
3 and Dr. Andrew Krepinevich, executive director of the Center for Strategic and Budgetary
4 Assessments. Both are renowned authors and nationally recognized strategists whose many
5 accomplishments are well known and listed in their biographies.

6 I will just tell you from a personal note, I have enjoyed working with both of them over
7 the years, as many of our other commissioners have in some of our former capacities. For
8 example, when I was on the Senate Armed Services Committee working for Chairman Nunn,
9 these were the duty experts, the go-to experts. They are thought leaders in this field. Everybody
10 had recognized that they have served in and out of government in a variety of capacities. And
11 we are quite pleased to have them, because I consider them to be the leading thought leaders in
12 the national security field, and are now, have been in the past, and I know will be in the future.
13 We also appreciate your willingness to come a little bit earlier so some of our commissioners
14 could catch a late-afternoon plane.

15 So again, we thank you for taking the time to be here and for your years of sustained
16 contributions to our national security.

17 In our two previous panels, we have used the Quadrennial Defense Review, recent
18 congressional testimony, and the president's budget as a little bit of a framework to explore in
19 greater detail the fundamental question of whether the reserve component is now primarily an
20 operational, rather than a strategic force, and the far-reaching implications of that change.

21 I will tell you, our Defense Department leadership witnesses had basically acknowledged
22 that even though they are still working on the definition of what it means to be an operational
23 reserve, they consider in fact our current guard and reserve to be an operational force now and
24 for the foreseeable future. So really that issue is not in doubt at this point. Then the question is,

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1 what are the implications of that and how does it fit into the overall broader national security
2 perspective. It is that perspective of the broader context of the threats the nation faces now and
3 in the future, and our current capabilities and future requirements that we have asked our
4 panelists to address today, particularly this “long war” concept.

5 So we hope you will share your analysis of both the assumptions that underlie the QDR
6 and the strategy derived from those assumptions. We will be very interested in your thoughts on
7 the evolving threats to U.S. national security and the optimal roles and missions for the National
8 Guard and Reserves to best serve our national interests, given those threats.

9 We know, and particularly with Michele, to come and represent the broader perspective
10 because CSIS actually has a fairly major study underway on the guard and reserve, and we will
11 be getting with the leaders of that study. We have already touched base with them and are
12 working very closely with them. So we will have an opportunity down the road to kind of peel
13 the layers of the onion back a little bit. We have tried to keep these two days of hearings focused
14 more at the big picture and the macro level.

15 So again, I want to welcome Michele and Andy, and thank you for providing your
16 considerable expertise and experience to these proceedings.

17 If there is no objection, why don't we just go in alphabetical order and ladies first in any
18 event, Andy. So Michele?

19 FLOURNOY: Thank you very much.

20 Let me thank you for inviting me to testify before you today. I am honored and I want to
21 commend you for the work you have begun here. It is a critical set of issues at a very important
22 point in time. So I am privileged to be here and I applaud you for rolling up your sleeves and
23 diving into these issues.

24 I want to be up front with you about the perspectives that I bring to these issues. One is

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1 the perspective of someone who has done a lot of strategy development and requirements
2 definition in my time in the Department of Defense, translating strategy into requirements. The
3 second, as General Punaro mentioned, that we are engaged at CSIS in a major study of the future
4 of the guard and reserves. Christine Wormuth, my colleague at CSIS, is leading that study and I
5 know that she will be pleased to come share her findings and recommendations with you as we
6 come to closure. We are aiming to get that study out by June, so I think in your next set of
7 hearings in May, that may be a good time for us to share our thoughts in more detail with you.

8 The last perspective I want to just acknowledge up front is that I am the spouse of a
9 reservist who was mobilized right after 9-11 for counterterrorism operations, and have some
10 personal experience in the reserve family. I have been dealing with those changes that
11 mobilization brings, and so forth. So I wanted to be explicit about that up front.

12 I want to just briefly highlight four points from my written testimony. The first is that
13 today, as you all know, the guard and reserves are under enormous strain. In my view that strain,
14 if unaddressed or inadequately addressed, has the potential to do real damage to the force or parts
15 of the force over time. I think it argues for really re-thinking, reexamining how we use and
16 structure and manage our reserve component forces. In the written statement, I highlighted
17 several facts related to increased level of utilization, length of tours, difficulties in recruiting and
18 retention, and they paint a fairly sobering picture that again in my view argues for some
19 reassessment and some change.

20 The second main point is that I agree with what was said that the shift from a strategic
21 reserve to an operational reserve is really now a fact of life, a new reality that is likely here to
22 stay. I think it is unrealistic to think that we are going to somehow reverse that and go back to
23 the days where the reserve component was a strategic reserve, for several reasons. The first
24 reason is that in my view, although I do not have a crystal ball obviously, the demand for U.S.

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1 forces is likely to remain quite high, even after force levels in Iraq begin to come down. In the
2 post-9-11 period, given the long war, given the broad range of demands on U.S. forces, I think
3 the steady-state demand is likely to settle at a level that is higher than what we saw even in the
4 1990s. That will put pressure on us to turn to the reserves as an operational force.

5 The second reason is that I think that budgetary and demographic and recruiting realities
6 will preclude any major increase in active duty forces in the near term. I want to emphasize in
7 the near term. In the mid- to long term, I actually still think we need to think about growing the
8 active duty forces, particularly the Army, but in the short term, I don't think that is going to be
9 possible and so the reserves will be turned to as a cost-effective way of expanding the pool of
10 available capabilities and also continuing to sustain what I think is a pretty critical link between
11 the U.S. military and the American people, communities out there across the country. So we can
12 expect the after-duty component to continue to rely on the reserves both as a provider of critical
13 combat support and combat service support, and also combat capabilities, but also as a kind of
14 rotation base for long-duration missions.

15 So the real challenge in my mind is how do you make this operational reserve concept
16 work. You all know that the Army Reserves and National Guard have proposed putting their
17 forces on sort of a rotation based footing with deployments every one-in-five or one-in-six years.
18 There are several things that I think we need to look at to make that kind of scheme viable. The
19 first is a new level of investment in equipment and training and perhaps manning, commensurate
20 with increased levels of readiness required.

21 The second is a much greater depth of support capabilities in the force, both to support
22 the new modular brigade structure, both in the active and reserve components, but also to
23 enhance the guard's capabilities to conduct critical civil support missions like the response to
24 Hurricane Katrina.

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1 I also think it merits developing a new social compact between the U.S. government and
2 our citizen soldiers that both clarifies the new expectations we are having for them, and also
3 clarifies the government's obligation to those who are serving under this new contract. I am sure
4 we can talk about that more in the Q&A.

5 Finally, I think we have to gain much greater clarity on what we do see as the roles and
6 missions, appropriate roles and missions for the reserve components going forward. That is
7 really my third point. In the projected security environment, I still think we need reserve forces
8 that can do a broad variety of missions, that are multi-mission capable. What needs to change, in
9 my view, is the relative emphasis given to some missions over others. In the past, the emphasis,
10 particularly in the guard, but more broadly I would say, was on supporting combat operations in
11 major theater wars abroad. In the future, I believe the emphasis needs to be supporting longer
12 duration missions like stability and reconstruction operations that will be part of the longer war,
13 and for the guard, also meeting critical homeland defense and civil support requirements at
14 home. So it is a shift of emphasis that I think needs to happen.

15 To date, none of the reserve component forces have been fully prepared or resourced for
16 this new mix of missions. One of the most critical challenges I think we all have to grapple with
17 is how do you balance, particularly for the guard, the requirement both to be ready on a regular
18 basis to do missions abroad, but also be ready to be responsive to missions at home. How do you
19 square those requirements and make it work on a sort of unit basis as you go?

20 I think funding the operational reserve is another major challenge where we need greater
21 understanding of what is going to be required. In my view, the Department of Defense has yet to
22 provide a full accounting of the costs associated with the additional training, the additional
23 equipment, and potentially additional manning that will be required to make the operational
24 reserve paradigms sustainable over time. So I think everyone who talks about this expects that

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1 there is some substantial bill that is out there, but we just don't know how big that bill is yet, but
2 it is coming.

3 The last point I want to emphasize is the importance of rebalancing the mix of
4 capabilities within the reserve component and between the reserve component and the active
5 component. Here, I would applaud the current efforts that are well underway in the department,
6 particularly in the Army. They are substantial. They are welcome, particularly as they relieve
7 some of the strains on high-demand, low-density assets, many of whom are in the reserve
8 component. But I would argue we need to take rebalancing a bit further in a couple of ways.

9 The first is rather than simply sort all our capabilities into two boxes, either full-time
10 active duty or you are 39 days a year in this rotational scheme reserve. I think we really need to
11 embrace this notion of continuum of service that is kicking around the department as a concept,
12 but when you look at it programmatically, how far it has been implemented, it is pretty limited at
13 this stage. We need to expand the range of service opportunities available to reservists beyond
14 the standard 39 days per year. We need to get greater accessibility to some capabilities in the
15 reserves, units that are made up of volunteers who are willing to serve more than 39 days a year,
16 but less than full time.

17 Making this kind of thing work is going to be counter to the culture of some services. It
18 is going to require some new force management approaches. It is going to require some new
19 tools like integrated personnel and pay systems. But I think it is essential to tap into the talent
20 that is out there in this country that is available to be brought into service if we can be more
21 creative about identifying appropriate opportunities.

22 A second way of pursuing rebalancing a bit further is taking maximum advantage of the
23 private sector information technologies and better business practices to work smarter. Given the
24 high cost of military personnel, we need to make sure that we are reducing our military

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1 manpower requirements as much as possible. Anything that can be done as effectively, more
2 cheaply by the private sector, we need to move in that direction. I know the department has been
3 working on these issues for decades, with mixed results, but I think it is worth continuing to
4 pursue this.

5 The last thing I wanted to highlight with regard to rebalancing is the need to think about
6 this in terms of the U.S. government more broadly. Part of the rebalancing that I think needs to
7 happen is on an interagency level. We need to build more deployable civilian capacity to
8 conduct some of the tasks involved in stabilization operations abroad, for example, so that we are
9 not asking military, either active or reserves, to conduct tasks at which they really don't have a
10 comparative advantage.

11 Let me conclude by putting some additional questions on your plate. The first is will the
12 various reserve components be able to recruit and retain enough personnel to actually man the
13 planned force and sustain the proposed rotation cycle over time? Is this a sustainable prospect
14 from a human capital perspective? Second, what are the manning, equipping and training
15 requirements and the costs of fully implementing the operational reserve component, and making
16 them the paradigm and making that work? Third is do we need a separate component dedicated
17 to homeland defense and civil support? If that makes sense on its own merits, what would the
18 impact on the rest of the reserves be in terms of recruiting and retention and management and
19 flexibility? Is this a good idea or a bad idea? I think that is out there. I think it needs to be
20 addressed inevitably.

21 The fourth question is, how much of a strategic reserve do we still need? Even if we are
22 characterizing this force as an operational reserve, we still need to have something in our back
23 pocket for unforeseen contingencies, for wars that take longer than we thought, that go worse
24 than we expected, and such. You need to keep hold of some concept of strategic reserve and

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1 what does that look like and who should that involve?

2 And then finally, as we think about revising or updating the social compact, what is the
3 right balance between increasing benefits commensurate with increased commitment, and also
4 controlling costs to keep this manageable in the context of the overall DOD program and budget?
5 We at CSIS are wrestling with these same issues. We are still in the process of formulating our
6 answers to them, but I thank you for the opportunity to testify today and share some of my
7 personal views on these critical issues and to contribute to your deliberations.

8 Thank you.

9 PUNARO: Thank you. Please, on behalf of the commission, pass to your husband our
10 thanks for his great service to the nation as a reservist, particularly in time of war. Your entire
11 statement will be placed in the record.

12 Andy?

13 KREPINEVICH: Thanks, Mr. Chairman.

14 Like Michele, I certainly appreciate the opportunity to appear before you today. I think it
15 is an excellent time to be tackle some of the big issues like the future of our National Guard and
16 Reserves. I certainly applaud you for your willingness to take it on.

17 I don't consider myself to be an expert on this particular issue. As the chairman said, I do
18 have some background on broader strategic issues. So what I hope to do in my testimony is to
19 provide you with some perspective or context with which you can frame your deliberations.

20 I think the period we are in now historically speaking reminds me most of the early Cold
21 War period. At some point around 1950, we realized that we faced a major challenge from the
22 Soviet Union that was not going away and that we needed to, as the Eisenhower administration
23 said, develop a strategy for the long haul. I think the period we find ourselves in now is
24 comparable to that in the sense that we really have identified three enduring challenges, none of

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1 which is like the Soviet challenge, no matter how hard we try and sort of shoehorn things into
2 that familiar box.

3 These three challenges I think they were pretty well outlined in the Quadrennial Defense
4 Review. The first is the obvious one, the challenge of radical Islamism. The second is what I
5 would call the nuclearization of Asia, the possibility that by the end of this decade, we could see
6 an unbroken string of states, 5,500 miles long, stretching from the Persian Gulf to the Sea of
7 Japan, all armed with nuclear weapons, and that excludes Russia. That is certainly I think
8 something that is not going away. It is something that we are going to have to deal with and
9 think about for the foreseeable future.

10 The third is how China will fit in to the international system. There has been a long
11 history of rising powers sort of acting or behaving like bulls in a china shop. Somebody said,
12 well, think about Britain a century ago and you had a rising Germany, and somebody else said,
13 yes, and it only took two World Wars to sort settle how that was going to work. So the challenge
14 of making sure that somehow the rising power of China is balanced within the international
15 system in a way that leads to a productive relationship with China and not a competitive one.

16 These challenges to our security, if you look out, are different in both form and scale
17 from the ones we planned on in the first decade following the end of the Cold War, from 1991 to
18 2001. Of course, this has a lot to say about how you think about any kind of discussion of roles
19 and missions. The Islamic insurgency in countries like Afghanistan, like Iraq, and potentially in
20 other parts of the world, the effort on their part to displace existing regimes that they consider to
21 be illegitimate, to force us out of parts of the world that we consider vital to our national security.
22 For the 30 years or 25 years at least following the end of the Vietnam War, there was an attitude
23 that we were not going to do this anymore. This was not a mission for the U.S. military. No
24 more Vietnams, Powell doctrine, Weinberger doctrine, exit strategies, get in fast, get out fast, all

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1 that ended on 9-11.

2 These are not fights that we can walk away from anymore. These are not contingencies
3 that we can go in and dabble with and then call it a day. What does that mean? As Michele said,
4 the whole issue of homeland defense, and to that we might add natural disaster, one of the
5 problems with our National Guard and Reserves is they performed so well after Hurricane
6 Katrina that people are now looking more and more to the military to help us in that particular
7 role.

8 Third is how do you think about projecting power and maintaining U.S. freedom of
9 action in a world that is increasingly armed with or populated with nuclear armed third world
10 states? Another area of concern is how do we deal with the prospect that some of these states,
11 which are unstable or unpopular, may fail, and we may be faced with the consequences not only
12 of stability operations, but stability operations in a country that has failed that had a weapons of
13 mass destruction arsenal.

14 And then there are even novel forms of commerce raiding and blockade to think about
15 down the road, in addition to a set of capabilities that the Chinese are developing that is referred
16 to as assassin's mace, that in other contexts have been alluded to in terms of anti-access area-
17 denial capabilities, but it is something not only in this case, but in each of the cases I mentioned
18 that is not a familiar kind of challenge for our military. So it is not clear that the force structure
19 that we have or the equipment that we have, the doctrine we have, the training we have, the
20 people that we have that performed so marvelously over the last 10 or 15 years is going to
21 represent the optimal mix for these existing and emerging challenges.

22 The second aspect is not only change in form, but potentially a change in scale. Of
23 course, we have been this in spades in Iraq in terms of a fairly large-scale conflict that has
24 occurred over a protracted period of time. For much of the 1990s, we focused on the nuclear

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1 rogue states, or prospectively nuclear rogue states, Iran, Iraq, North Korea. China dwarfs North
2 Korea. If you are thinking out over the next 10 or 15 or 20 years, and looking at that as a
3 challenge, as I have said before, then there is a real scale issue. If you think that the way we
4 have operated in Iraq represents a good approach to stability operations, recall that the size of
5 Iran, which is not, again, the most stable country in the world, their population is three times that
6 of Iraq. The population of Pakistan is seven times that of Iraq. So how much can you scale up
7 the U.S. military to deal with these kinds of contingencies?

8 It is also interesting that not only have we been confronted, particularly in the case of
9 radical Islamism, with the prospect of a protracted conflict, but also one that is relatively
10 manpower-intensive. Of course, we have the most capital-intensive military in the world and I
11 would suspect among the highest manpower cost, if not the most manpower costs. Some of the
12 implications, well, we have a U.S. military that in a sense has been built for sprints, short,
13 decisive wars. Again, going back to the Powell doctrine, overwhelming force to do the job; exit
14 strategy; get out.

15 Right now, we are trying to run a marathon in the war against radical Islam. Of course, I
16 think as Michele alluded to, it is pressing the force, particularly our ground forces and the Army
17 and the National Guard specifically. Just as this war has indicated a high demand and a
18 relatively low density for trained ground combat forces, we saw episodically in the 1990s other
19 episodes of what the Pentagon calls high demand, low density problems, whether it was tankers
20 and airlift or other kinds of military capabilities. There was even a concern for awhile we were
21 going to run out of precision munitions I think in the Balkan war in 1999.

22 So what do we do about this? I think clearly we need a fundamental re-thinking about
23 how we are going to organize and structure ourselves to deal with these problems. To some
24 extent, the Quadrennial Defense Review engages in what I would call reactive transformation of

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1 a spotty sort. I applaud the effort, for example, to move to a modular Army where brigades can
2 be more readily deployed and a rotation base more rationally established; increasing special
3 operations forces, both in the active and the reserve component; the issue of civil affairs and
4 psychological operations units; enhanced language training. These are all things I think that are
5 quite appropriate.

6 But still you run into that form and scale problem. So if at the end of the day we have a
7 modular force that can deploy 18 brigades and sustain them, roughly the size of the force we
8 have in Iraq and Afghanistan, and you run into the problem of a failed Pakistan, then what?
9 Then how do we prepare ourselves for this?

10 This gets to the issue I think of strategy. Just as in the early 1950s, we identified an
11 enduring long-term challenge. We have the three now. In the early 1950s, there was also an
12 effort by both the Truman administration through NSC-68, and the Eisenhower administration
13 through the Solarium Project, to come up with a long-term, an integrated grand strategy for the
14 United States. If it is one thing you see I think in the QDR, which is a very good point, is hey
15 folks, a lot of these new missions are not missions that are dominated by the military. Again, I
16 think Michele alluded to that. If you are talking about stability operations, it is an interagency
17 approach. If you are talking about homeland defense, it is not only interagency, it goes through
18 the various levels of government, and there is also a considerable role for the private sector to
19 play.

20 If you are talking about stabilizing a country the size of Pakistan, you are not only talking
21 about active and reserve forces, you may be talking about civilian elements and expertise. You
22 are certainly talking about allies and possibly the need for us to train up large numbers of
23 indigenous forces on fairly short notice.

24 So what is the strategy? If you had a strategy, then what you would like to have is what

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1 the Pentagon calls “concepts of operation.” OK, I have this strategy for dealing with these
2 problems. How specifically do I conduct military operations? In August of 2002, Secretary
3 Rumsfeld signed a directive to the joint staff, and both joint forces command and the joint staff
4 began working on joint operating and joint integrating concepts. What are the tools I need?
5 What are the forces I need? What are the capabilities I need, the programs I need, and so on, to
6 enable me to accomplish this mission? And where I can’t accomplish it, where are the
7 shortfalls?

8 Unfortunately, despite the best intentions of a lot of people, those concepts really haven’t
9 taken root. They really didn’t influence the Quadrennial Defense Review. So you have this gap
10 between I have problem and I have a bunch of tools in my toolbox, but I can’t quite tell you how
11 to apply these tools in an optimal way to address these problems.

12 At that point, as Michele alluded to, you could begin to make decisions about forces,
13 about people, about equipment. But again, they will inform that. It may turn out that we need
14 not only numbers of people, but different kinds of people. If you go back and look at the early
15 part of World War II, we found out that we needed people with very different skill sets and
16 mixes of skills than we did 15 or 20 years before. So it is not only an active reserve, it is also
17 what kind of skill sets do we need, where do we find them, and can we afford them. If you can’t
18 afford them, then you have to think differently about how you are address the challenge. So it is
19 a back-and-forth, an interactive approach.

20 Two quick points, and then I will wrap up. One is I think, and it certainly has achieved
21 headlines over time, we have had concerns about, for example, the kind of equipment the
22 National Guard and Reserves received prior to heading into the combat zone. Concerns were
23 also raised about training, but this is an issue that transcends the reserve component. We went
24 into the 21st century with the world’s best training infrastructure. Nobody had a better high-

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1 fidelity realistic training environment than the United States military.

2 In a recent conversation with a senior Army official, he pointed out that we do have the
3 best training infrastructure in the world. I tended to agree, but I couldn't help myself when I
4 said, no, I think the insurgents in Iraq probably have the world's best training infrastructure. I
5 said they are their national training center 24 hours a day, seven days a week, 365 days a year,
6 and they are going up against the world's best opposing force. So I think that is critical. How do
7 we maintain that training edge that gave our people such a great opportunity to succeed in a lot
8 of the conflicts that emerged immediately after the Cold War.

9 So again, I do think this is certainly the right time to take on this kind of challenge.
10 Certainly, you said some flattering things about us, Mr. Chairman. This is certainly the right
11 group to take that challenge on. I think we both look forward with anticipation to the kind of
12 recommendations and analysis you come up with.

13 Thank you.

14 PUNARO: Thank you very much.

15 Let me kind of, for your benefit and for anybody in the audience that wasn't here for our
16 previous panels, the way we have sort of organized our questioning over the last couple of days
17 is we have got a select group of about five commissioners that ask the primary questions in each
18 of our panels. So the fact that all the commissioners may not be asking questions here this
19 afternoon does not mean they are not interested or paying close attention.

20 What I am hoping is, because we have four commissioners that have not been able to ask
21 any questions for the last day-and-a-half, they need to get their questions out first, but I am
22 hoping because we have a smaller number of witnesses and a little bit more running room,
23 perhaps some of our other commissioners, I know, because I have a couple that have already
24 indicated that are not on the list, that have questions they would like to ask. So that is the reason,

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1 kind of the way we are organized.

2 I would like to really start with the first question, and really pose a broader question,
3 maybe not as much on the subject matter, but just your advice to us as a commission, because
4 both of you have tremendous experience in serving on panels and commissions. You also have a
5 lot of experience in critiquing panels and commissions. I had the good fortune to work with
6 Michele when she was over at NDU critiquing, I can't remember if it was the last QDR or the
7 one before that. And Andy, you did a stellar job way back in the old Rose (ph) Admissions
8 Commission looking at that.

9 I also recall, too, and I am thinking it might have been 1995 or 1996 you served on Phil
10 O'Dean's (ph) National Defense Panel. That was the first panel to identify the threats to the
11 homeland. They actually coined the term homeland defense. In that report, it talked about how
12 we better wake up because threats to our homeland are going to be the number one thing we are
13 not organized for combat. Unfortunately, that part of your report did not get a lot of attention, so
14 we are kind of hoping to be able to make a report that people will take seriously and implement
15 our recommendations.

16 So what advice from your extensive experience could you give us as we go about doing
17 our work that would help us in the way we approach our work, formulate our recommendations,
18 and then get those recommendations implemented? Either one of you can start.

19 FLOURNOY: I will offer a couple of ideas. One is, I think you are already doing this as
20 evidenced by the subject matter you had asked us to address, but start with the strategic. You
21 have to start with your understanding of the world and the demands it is going to place on the
22 U.S. military, and then derive from that what does that mean for the reserve components. So I
23 think starting from a strategic perspective is critical, and then trying to connect the dots from that
24 strategic perspective through to the specific changes that you are going to end up recommending

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1 in the end.

2 The other thing is since you can't do everything, even as well resourced and as talented
3 as you all are, thinking through what is your comparative advantage. Where can this
4 commission really make a difference? I would say that where you can make a difference is to
5 get out in front of the department, think a year out, two years out of what they are confronting in
6 their in-boxes today and try to give them guidance on how to grappled with those longer-term
7 issues.

8 And another comparative advantage, of course, is the link to, you are mandated by
9 Congress. Congress will be listening and paying very close attention to what you come up with.
10 So I think particularly areas where Congress has a role to make a big difference in getting this
11 right. Those are the things I would highlight.

12 KREPINEVICH: Certainly, I would second what Michele said. Somebody once said to
13 me, I would rather have a decent set of answers to the right questions than great answers to the
14 irrelevant ones. So I think, again, spending some time up front as you seem to be here, trying to
15 identify what are the big problems that confront our military. Because after all, at the end of the
16 day, the military is called upon, including the National Guard and Reserves, to deal with
17 situations that get out of hand. So what are the most worrisome?

18 I will give you an example. In Pakistan, which worries me a lot, there have been two
19 attempts on President Musharraf's life. If he were to be assassinated, it is not clear that that
20 country would hold together very well. There is the matter of trying to secure nuclear weapons.
21 I would be interested to know just how we plan to do that. Are our plans plausible? This is a
22 non-trivial possibility that makes Iraq almost look like a walk in the park. Like I said, you have
23 about 200 million people. You have a country that is already a sanctuary of sort, at least in the
24 northwest portion, to radical Islamists. Can you really afford to walk away from that situation?

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1 And if not, then how would we deal with it? So again, I think these sorts of problems,
2 identifying the right questions.

3 Second, I think I would be skeptical. No matter what people tell you, including us, and
4 how good it sounds, keep probing. Keep peeling away at the layer of the onion. Don't take
5 anything at face value. We found out some surprising things on a couple of panels I was on just
6 because of persistence on the part of panel members, just something doesn't quite sound right
7 here.

8 Third is allies. Who are your allies, and seek them out and get their advice and get their
9 buy-in. We were fortunate that we had several senators who were intensely interested in the
10 work of the National Defense Panel and were willing to take some of the results and go to
11 Secretary Cohen and argue for a joint forces command, for joint training and exercises and
12 experimentation and so on. So again, the importance of identifying allies, people who are in a
13 position to make decisions and make things happen.

14 And fourth, I think public relations. People will be interested in you if the press is
15 reporting about what you are saying and there is some anticipation of what you are going to do.
16 So I think at some point, you ought to have an outreach campaign. Somebody once said to me, a
17 great study gathering dust on the shelf is really no good to the American people.

18 PUNARO: Great. Thanks. That is very, very helpful.

19 I am going to defer my questions because a lot of our other commissioners have been
20 very patient in the previous rounds. Our next questioner will be Commissioner Eckles.

21 ECKLES: AS both of you now, the QDR highlights a shift in capabilities from
22 traditional warfare against military competitors to a force more adept at facing asymmetrical
23 challenges in the irregular, catastrophic and disruptive categories. It acknowledges that some
24 countries will continue to build their capacity to present us with conventional threats. It seems to

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1 rely on the strategy of shaping these countries' choices as a means of avoiding major
2 conventional warfare in the future.

3 Based on this brief background, I have two questions for you today. First, do you think
4 the QDR strategy of shaping choices of countries at a strategic crossroads is a realistic means of
5 reducing the need for U.S. traditional warfare capabilities? And secondly, does the QDR's focus
6 on the long war and the shift away from conventional capabilities leave us vulnerable to nations
7 who might challenge us militarily in a regional conflict?

8 Michele, you can go first.

9 FLOURNOY: OK. Let me start with the last one first. I agree with the basic thesis of
10 the QDR that over time, we have become over-invested in capabilities to meet traditional
11 challenges, and under-invested in some of the more non-traditional challenges that are likely to
12 define much of the next several decades. But I detected in your question a sort of note of caution
13 that says we could make the mistake of taking the shift of emphasis too far. We do not want to
14 do that. We always, as a premise of our strategy, want to maintain, in my view, the ability to
15 fight and win more than one major conventional campaign at a time. As long as we are a global
16 power with global interests in multiple regions, we have to be ready to be challenge in more than
17 one region at a time. If that takes the form of a conventional challenge, we need to be prepared
18 for that. So we don't want to give up that capability.

19 That said, what has changed is we can no longer assume that that capability, that
20 everything else is a lesser-included case of that capability; that if we have that, then we can deal
21 with insurgencies and stability operations and counterterrorism and counter-proliferation and
22 everything else effectively. That is what has changed. We now understand the unique
23 requirements of all these other things.

24 But your question goes to the heart of one of my favorite topics, which is how do you

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1 allocate risk and do it in a way that is smart and doesn't ultimately undermine your ability to
2 defend your country. Here, I would say, getting to your first point about shaping, obviously
3 shaping the decisions of other countries, peacetime involvement to do that, is critical. But as the
4 Department of Defense, the military always has to be focused on the what-if-shaping-fails
5 question. They are the last resort. They are the deterrent. They are the hedge.

6 So I think that not only shaping is a critical piece, but deterrence and hedging are equally
7 critical and have to be part of the equation.

8 KREPINEVICH: First, I think the QDR's approach of emphasizing the irregular, the
9 catastrophic and the destructive challenges relative to traditional is very worthwhile. With
10 respect to shaping choices of countries at strategic crossroads, my own personal interpretation is
11 that this is a very long way of spelling C-H-I-N-A. In any event, and shaping in this sense I
12 think really refers to something that is presented as one of the major pillars of our defense
13 strategy, but isn't discussed very much, which is dissuasion. Dissuasion is kind of, there are two
14 elements to it. One is efforts that you undertake to convince others not even to compete with you
15 in the first place, or to make competing with you a very expensive, unprofitable exercise.

16 So if you are thinking about China, and again I am reading tea leaves here, the statement
17 that we are going to increase submarine production could be viewed as sending a message to
18 China, look, we know that in terms of building your fleet, you are interested in ramping up your
19 submarine production. We don't like that. So we are laying down a marker that says our
20 submarine capability is just going to so dwarf yours that this isn't an area of military competition
21 that you want to get into.

22 Similarly with the move to creating a bomber, and fielding a bomber by 2018 as opposed
23 to 2037, the message here can be viewed several ways. One is there are no sanctuaries in China.
24 Even if you try and push us further and further out from your coast, we will still have the ability

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1 to hit every possible, and hold every possible target in China at risk, number one. And number
2 two, we will force you by dint of this capability to invest massive amounts in air defenses, which
3 we would rather see you invest in some of the other things you might push your defense
4 resources towards. Again, I am reading tea leaves here. But it seems to me that if there is a logic
5 to shaping that this would be that logic.

6 The third element to the question had to do with the long war, the regional conflict, and
7 the possibility that regional powers may challenge us, that the world of NTWs has not gone
8 away. I would say certainly that is the case, but I think even in the 1990s, there was a realization
9 that if we fought the North Koreans, if we fought the Iranians, it wasn't going to be another
10 Desert Storm. The Iranian triad, if you will, is comprised of terrorism, the attempt to get
11 weapons of mass destruction, and what are called the anti-access area denial capabilities. If you
12 are interested in the latter, you might get a briefing on the Millennium Challenge 2002 joint
13 exercise, where Paul Van Riper did a marvelous job with limited capabilities, and really causing
14 our military fits. But again, it was an asymmetric competition.

15 There is no one out there building tanks to take on our tanks. There is nobody out there
16 building large numbers of combat aircraft or a surface fleet. So yes, we should worry about
17 these sorts of countries, but we should also realize that after a century of symmetric warfare,
18 going all the way back to the Germans in World War I, we now face a host of challengers, none
19 of which wants to wage symmetric warfare against us.

20 ECKLES: Thank you.

21 PUNARO: OK, our next questioner is Commissioner Rowley.

22 ROWLEY: Thank you, Chairman Punaro.

23 I would like to talk a little bit about homeland security and some of the recent events we
24 have had, particularly with Hurricane Katrina. The National Guard for many years has had a

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1 history of responding to natural disasters, and for a long time felt that that was their mission. But
2 within the last few years, of course, the shift from a strategic reserve to an operational reserve, it
3 seems like there are now competing priorities for what is the role and the mission of the National
4 Guard.

5 In a recent document from the White House, it requests basically, or states that the
6 priority mission for the guard and reserves should be homeland security. In talking with the
7 service chiefs earlier today, they made it fairly clear that they feel that that should be part of the
8 overall DOD mission, and just one of the taskings that they should be able to respond to.

9 How do you feel that we should streamline that process, especially taking into
10 consideration the relationships with the state governments and the civilian agencies? And is this
11 really a military role, a DOD role per se, or do we need to think in other ways of how we take
12 care of a stateside mission, but at the national level? I think a lot of what the states are grappling
13 with right now, we have never had a Hurricane Katrina-sized event where we have had to deal
14 with it from a national perspective. It has always been from a state perspective. Could you give
15 me some thoughts on that, either one of you?

16 KREPINEVICH: Sure. Just a couple of general thoughts about what the contingencies
17 might be. One I think that worries a lot of people is the covert introduction of weapons of mass
18 destruction. A second could be a pandemic, with a global economy and global movement of
19 populations now, it is bird flu and avian flu. I am not an expert on that sort of thing, but again,
20 you would be looking at that form of a natural disaster that has to do with disease in certain parts
21 of the country.

22 And then there is the whole climatology issue of whether Hurricane Katrina is an
23 aberration or over the next 20 years whether because of sun spots or carbon dioxide, we are
24 going to see changes in the climate.

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1 In any event, it seems to me that what you are talking about in many of cases is the need
2 to respond very rapidly. If you are talking about the introduction of biological agents or the
3 detonation of a radiological weapon or so on, you know, the need to impose order, the need for
4 medical support, the need maybe to quarantine certain areas, the need to do decontamination.
5 Again, as we saw with Katrina, the sense that the government is on top of the situation so that
6 people have confidence in their government, all requires a rapid response, but it does not require
7 the capability to do rapid response in 50 states. It requires I think the ability to move the guard
8 and reserve forces quickly to these areas.

9 One thing you can't substitute for are first responders. By definition, they need to be on
10 the scene immediately, but I do think that part of a homeland security posture or strategy, if you
11 will, would be to identify, for example, well, how many urban areas do we think could be at risk
12 from a terrorist attack simultaneously? And if the number is five, then you would want to have
13 the capability maybe to move 10 response forces very quickly to hedge against that uncertainty.
14 As Michele said, to buy yourself some hedge against the risk.

15 I think this is an area that we have sort of gotten away from because for much of our
16 history we have been very fortunate and not had to worry about either globalization or a direct
17 attack on our country. But this could become a major mission for our military forces, and as I
18 said earlier, the demonstrated competence that they have shown relative to other forms of dealing
19 with the problem, people will keep coming back to you.

20 FLOURNOY: If I could just add, I think this is one of the most critical issues that you
21 can address as a commission. Even though DOD will play a supporting role in any civil support-
22 type operation, I think if it is a truly catastrophic event of the kind that we experienced in
23 Katrina, I think DOD is going to be asked for a fairly prominent role. I believe that homeland
24 defense and civil support should be a primary mission for the National Guard, that the guard of

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1 all the elements in the military, the guard is really ideally suited to be the point element of
2 DOD's response in the sense of its relationship with the states and the governors, its geographic
3 dispersion in communities across the country, its knowledge of the local conditions, the
4 personalities, the ways of doing business and so forth, its planning capacity, command and
5 control capacity, all the good military attributes it has, but also its experience in performing law
6 enforcement functions and interacting with communities.

7 There are several options, as we do our study at CSIS, we have identified several options.
8 The first is you say, you know, the problem of Katrina was not the National Guard; we are fine
9 the way we are. And you keep the status quo. I personally don't think that is going to be
10 tenable, either substantively or politically at this point.

11 The second is to say we don't need to change the roles and missions or even
12 organizations. We just need to better train and equip people. Remind them this is a primary
13 mission and better prepare them for this mission.

14 The third approach is that you actually fence forces, meaning in at some point in that one-
15 in-six rotation cycle, in a unit's rotation period, at some point they are in the box for homeland
16 defense and civil support missions. You work it into that rotation cycle so that on a rotating
17 basis, units have a regular responsibility for this and part of their training and so forth is for that.

18 And the fourth, and most radical option, is actually dedicating forces for this, breaking
19 off some part of the guard and saying, you are going to be the homeland defense or the civil
20 support guard. You are not going to abroad. You are going to stay at home and this is what you
21 are going to do. I think those are the kinds of options that you need to look at.

22 In any case, whatever option is chosen, I think two of the critical things that need to
23 happen is a much greater integration of the guard with the rest of the players, interagency, at the
24 federal level, at the state level, at the local level in terms of common planning, common training,

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1 common exercising, building those relationships so you are not meeting the people you are
2 working with for the first time in a crisis, and then really integrating that into their own regular
3 training regime, and reintegrating it into their culture.

4 ROWLEY: Yes, do you feel that posse comitatus needs to be readdressed to allow us to
5 be able to do that as a DOD entity? We just recently made a visit to NORTHCOM, and one of
6 the things, there has been a lot of discussion over time of Title X versus Title XXXII, and state
7 sovereignty, the federal mission. Do we need to re-think how that whole package is put together
8 to better integrate the reserve and the active forces for operations?

9 KREPINEVICH: I would think you would want to avoid a situation where, say, several
10 U.S. cities, particularly in the case of a covert WMD attack, where it is not a natural disaster, but
11 if there were, say, several attacks, I think the inclination would be on the part of a lot of
12 governors to say, well, I can't release my people and leave Knoxville to go help the folks in St.
13 Louis, because they may hit here next. Again, I am not an expert on the law or what happens
14 when the president mobilizes the National Guard to federal service, and certainly you would not
15 want to wait until that circumstance before you tried to figure out who had the authority.

16 Just parenthetically, Michele's point about training, I think that is an exceptionally
17 important issue. Way back when when the National Defense Panel recommended a joint urban
18 warfare training center, the idea was that this would not only be used by our military forces, but
19 this could be used as a training center for various departments and agencies working together
20 along with state and local authorities to identify the best ways for them to work together in
21 dealing with these kinds of problems.

22 FLOURNOY: I am not a lawyer either, but the lawyers I talk to tend to believe that we
23 don't necessarily need a revision of posse comitatus, but we do need to sort of war game, if you
24 will, the authorities issues, meaning look at some particularly challenging scenarios, then think

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1 through some of the Title X versus XXXII status issues in a sort of war-gaming way to try to
2 surface where the conflicts are going to occur, it is predominantly a funding issue, it is a whose-
3 in-charge issue, you know, a who-gets-to-decide issue, but to kind of think it through in a
4 scenario-based way, to surface the critical issues. And then make the judgment as to whether we
5 just need to get better at using the authorities we have, versus we need to rewrite the authorities.

6 ROWLEY: Thank you very much.

7 Thank you, Mr. Chairman.

8 PUNARO: Thank you.

9 Our next questioner is Commissioner Stockton.

10 STOCKTON: Thank you, sir.

11 Good afternoon, and thank you so much for being here to share your views with this
12 commission.

13 As you know, we have been employed by Congress, and part of that employment contract
14 deal with us examining what the Department of Defense goals and issues are; also looking at, in
15 the case of the president's budget, how that deals with those kinds of issues. You have given us
16 a lot of very good points already in this testimony today.

17 I would like to focus the discussion for a moment on whether or not the Department of
18 Defense is prepared for the future operational tempo, and the stress of re-setting the force at the
19 same time. Part of the background, of course, we have talked about the current ops tempo,
20 including the large amount of ground forces that are required in Iraq and Afghanistan, and how it
21 has stretched the armed forces capability.

22 You all have discussed things like the recruiting statistics, equipment shortages and
23 things like this, which is all very top of the issues right now. We are looking at a budget, a DOD
24 budget of approximately 3.8 percent of gross national product. And then the other thing is that

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1 most sources from the national security strategy to the QDR indicate a continuing high
2 operations tempo.

3 I have three questions. Considering your estimate of the future threats and requirements
4 facing our nation, do you feel it is realistic to expect a major reduction in operations tempo?
5 Secondly, do you think it is realistic to expect the Department of Defense can reconstitute and re-
6 set its forces without some major increase in defense spending? And then finally, do you think
7 the QDR plan to re-set and transform while engaging in a long war is feasible?

8 KREPINEVICH: Could you repeat that last question again, sir?

9 STOCKTON: Yes. Do you think the QDR's plan to re-set and transform, while at the
10 same time engaging in a long war, is feasible?

11 KREPINEVICH: Ladies first, right?

12 (LAUGHTER)

13 FLOURNOY: You are such a gentleman.

14 Well, I think these are excellent questions. First is, I do think that at some point in the
15 next couple of years we will see some reduction in the op tempo, the main driver of the op
16 tempo, which is Iraq. I would hope that it would be a precipitous withdrawal, but there will be
17 some drawdown that begins to take some of the strain off. That said, I believe that the demand
18 will be higher than it was in the 1990s, lower than it is now, somewhere in that middling range
19 with potential for spikes, for other contingencies, whether it is Pakistan or something else,
20 coming up and surprising us, and we need to respond. So I personally am of the school that we
21 are going to see some pretty substantial demand continuing, even if it is not at the peak levels
22 that it is today.

23 I think the services, particularly the Army, so far has made a heroic effort in re-setting the
24 force while it is fighting wars. So far, they have done remarkably well at staying ahead of the

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1 demands of real-world operations, and transforming the force at the same time. I do think that
2 the bill for that is likely, for both re-setting and transformation, is likely to be larger than what is
3 currently in official requests. I think that is going to grow over time.

4 I also believe that if the Army in particular wants to meet its pers tempo targets, meaning
5 you want to give active duty people at least two years at home between operations, and reservists
6 the sort of one-in-five or one-in-six model ideally, that if you want to do that, at some point you
7 are going to have to try to grow the force. It is going to be tough to get to that with the planned
8 size of the active and reserve, given what I think the demand is going to be.

9 Which brings us to the long pole in the tent, which is recruiting and retention. We have
10 seen some difficulties in these areas. Right now, we don't have enough information to know
11 whether we just went through a bad patch or whether this is the beginning of a crisis. So far,
12 retention is holding, but when you go out to people in the force and you talk to commanders,
13 they say my guys will stay, come back once, they will come back twice, they may even come
14 three times, but if they start believing that the surge is now a new way of life, and their wife is
15 threatening to divorce them, at some point we start having retention problems. That is the one
16 that keeps me up at night.

17 So I am of the belief that if we are really truly in a long war, then we need to grow the
18 force somewhat, and we need to invest more in fully equipping and training it. I personally
19 would be willing to send back my tax cut check. I think if that question were posed to the
20 American people in that way, we could revisit some of the fiscal constraints that are currently on
21 DOD spending. I know that there are further efficiencies to be had in the department, no
22 question. But if ultimately we come to the judgment that we need more resources, I personally
23 believe that that question should be posed to the American people as something worth
24 considering.

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1 STOCKTON: I particularly compliment your view because I share that. Thank you.

2 KREPINEVICH: I appreciate Michele giving me time to formulate an answer.

3 (LAUGHTER)

4 As she said, those are three challenging questions. If I have to bet, I would not bet that
5 we would see a substantial decline in optempo. I think if we leave, for example, Iraq too
6 precipitously, there is a significant chance you could see a much larger conflict in that area that
7 would stress our forces, certainly not much less than they are stressed now. The other
8 challenges, as I mentioned to you, certainly seem much more formidable than the ones we faced
9 in the decade after the Cold War.

10 In terms of re-setting without increasing funding, again I think part of this has to do with
11 the level of risk you are willing to accept. I sort of came up with six ways of thinking about how
12 you would deal with this particular problem. One is you could increase defense spending. While
13 we have problems with our deficit and so on, as you point out, 3.8 percent of our GDP is not
14 historically large. We sustained a much greater level of effort during the Cold War period on
15 average. So that is one possibility.

16 Another that is a perennial favorite is improving DOD efficiencies. Every administration
17 does it. They should do it, but typically it doesn't yield large-scale savings. Third, which is
18 something that is talked about in the QDR, but it is not clear what the follow-through is, and that
19 is outsourcing, soliciting the help of allies, entering into partnerships and so on. It is not clear
20 how we are going to train the partners that we seek, whoever they happen to be. At least it is not
21 clear from the QDR. It is not clear who we have identified as attractive allies, but again it seems
22 to me that if Europe was the tough neighborhood during the Cold War, we have a very different
23 neighborhood we are operating in, and I don't think you can really expect the Europeans to
24 provide us with much help along the arc of instability. We are ally-poor in that part of the world,

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1 and so who are the logical allies?

2 Another way is to reduce our commitments. Again, if the problems are rising, that
3 doesn't seem to be quite feasible. Another is to take on more risk, just to say we sure hope
4 nothing happens in Pakistan, or we sure hope nothing goes wrong in North Korea. We go back
5 to sort of a one-NTW posture, for example, as opposed to a two and hope that we can get by with
6 that. And then the final element is to change the portfolio. Are there things that we are buying
7 or investing in in our defense portfolio that, while they are nice, they offer relatively low payoff
8 in terms of overall military effectiveness. So are there forces, are there programs that just don't
9 really add much.

10 So I think, again, those are six areas that really require a good hard look before you
11 decide that the best way to deal with the problem is to increase the top line.

12 And then finally, the whole issue of re-setting and transforming and so on, I will put in
13 my two cents. If you look at particularly the ground forces, and this is an interesting sociological
14 question in terms of the reserves. We are developing one cadre that really is hard-bitten
15 warriors. If you have been in the Army or in major parts of the Marine Corps, by the end of this
16 decade you are going to have seen a lot of deployments into very difficult situations, very
17 difficult areas. Whereas the Navy and the Air Force, again barring some dramatic change, will
18 not. I don't know what the implications are of that, but it seems to me that that is something that
19 we really have not seen in a while.

20 But certainly you have to wonder about the recruiting problems. The divorce rates are
21 up. There are problems with retaining captains. Someone recently told me we are 30,000 short
22 in terms of the E-1, E-2, E-3 ranks, which means you have an aging force. At some point as
23 those people begin to leave the service, you have structural issues. So there are a lot of things in
24 here that are bills that the Army in particular is going to be paying 10 or 15 years from now, that

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1 may not be apparent now, but they are in there, and the Marine Corps to a lesser extent.

2 There is also a social issue. One of the great things about our guard and reserve it is the
3 citizen soldier. It is the man and woman who work in our society, but they respond to the call to
4 the colors in times of emergency and need. We have in a sense tried to come up with an
5 economic solution to the problem, better retirement benefits, better quality of life. The bonuses,
6 goodness, are going up and up and up and up. It is almost as though we are trying to buy a
7 military. I think there are some real issues there. As a colleague of mine, Max Boot, said, well,
8 maybe we should offer citizenship to foreigners who will agree to fight in our military. I said it
9 is a sad day when the people of a democracy are unwilling to fight for their freedom.

10 These are some of the tough questions I think we are coming to, and the guard and
11 reserve really stand at the crossroads there. They are truly our citizen soldiers. Most of the
12 active force are people who have chosen that as a career. That is not why people join the
13 National Guard and Reserves, to make that their career. So again, there are some fundamental
14 issues here. If we are not going to aggressively pursue allies and partners, then it all comes back
15 to us, and what are we going to do about it. Again, I think that gets to a really profound issue for
16 our country, apart from defense programs and so on.

17 STOCKTON: Thank you, doctor.

18 PUNARO: The next questioner is Commissioner Stump.

19 STUMP: Good afternoon. It is nice to see you here. Doctor, you recently wrote a letter,
20 The Thin Green Line that discussed current strength in the Army and possible adverse
21 consequences. General Cody, having read the article, said that the Army was in peak fighting
22 shape, the best-equipped force in 34 years. Then the QDR came out and said that the size of
23 today's forces, both active and reserve components, is appropriate to meet the current projected
24 operational demands. I personally think that that is driven by the budget. That they wrote a

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1 QDR that would fit what the budget was.

2 Major changes in utilization, structure and capabilities of the reserve components have
3 taken place or are underway, and the historic shift from strategic to operational is taking place in
4 a force that is largely unchanged in overall size and relative priority within the Department of
5 Defense and the parent services.

6 I would like to discuss what is happening today. In 2007, the Army has removed the
7 funding for 17,000 Army National Guard people and about 17,000 Army Reserves. From 2008
8 to 2012, the active Air Force has decided to move 14,000 from the Air National Guard, and
9 7,700 from the Air Force Reserves. Now, based upon this, and I think you have already
10 answered my question previously, that we should increase the force, not decrease the force, but
11 what are your opinions on these cuts that are in writing and underway right now in the reserve
12 components? I think it was the budget that drove it. I could be wrong.

13 KREPINEVICH: Well, ultimately most things come down to balancing resources and
14 capabilities. My impression, and it is just my impression, is that in terms of the size of the force,
15 there is a concern in the Army leadership that if they were given a mandate to increase the size of
16 the Army, they would not necessarily be given the resources over time to sustain that increase.
17 And so as you begin to build up this force, if there is not an equivalent increase in funding for
18 that force, and it is not just to pay these people. It is to equip new forces and train them and so
19 on, and a commitment over the long term. What you can end up with in the end is a force that is
20 overall less effective than the current force.

21 Second, and again this is a personal opinion on my part, if you are having trouble
22 maintaining your standards in terms of recruiting an Army of the current size, the number of
23 CAD4s (ph) has gone up, the number of people without high school diplomas is going up.
24 Evidently, the people with mixed backgrounds in terms of criminal records is going up. If you

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1 are being pushed to take on those kinds of people, and I was in the Army when we had Project
2 100,000, which was sub-CAD4s (ph). You get to a point where it is subtraction by addition.
3 You get people that you bring in and they are a net loss. You are adding people, but they are
4 taking more away more than they are bringing into the unit in terms of effectiveness. And you
5 have to take that into consideration.

6 My sense is that if I am General Schoomaker and you tell me you are authorized 600,000
7 troop army, soldier army, again, I am worried about the funding, not just for this year, but for the
8 long haul, and second, what kind of people am I going to be able to attract and retain. Right
9 now, I think the issue that I raised a bit earlier, which really gets to can you recruit and retain the
10 kind of force we need within a structure of a volunteer military, because in the past when we
11 have had these kinds of crises, whether it is the Civil War, World War I, World War II, Cold
12 War, we went to a draft. Again, that gets back to the question, are Americans willing to fight in
13 this war. If I were General Schoomaker, quite frankly, I would not want a 600,000-man Army
14 because I cannot recruit it and I cannot afford it.

15 FLOURNOY: My impressions from the outside watching is that in the QDR the services
16 made some hard decisions based on real, but very near-term constraints, both budgetary and in
17 terms of what they thought they could actually recruit and bring into the force. So you have a
18 differential for the Army Guard between authorized end-strength and what they could actually
19 recruit and retain. You have the same, even more so, in the Army Reserves.

20 And so the overall Army, looking at that, says, well, if I can't man it, I shouldn't have to
21 resource all of the space that I can't man. I understand that. But I think in the longer term, it is
22 imperative that we are honest about what we think the requirements are going to be. If we think
23 that demand is going to be high and we think that a larger force is needed, I would rather see,
24 acknowledging the near-term constraints, I would like to see the department state that as a

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1 longer-term goal and as an unfunded requirement. This is something we think we need to grow
2 to in the future. We can't do it now, but we need to get there. This is an unfunded requirement
3 commensurate with our strategy.

4 And that we ultimately need a national call to service, is the only way I can say it. It is
5 not a draft, but the military is out there recruiting its heart out, without a senior, without a
6 national call to service. There has not been a JFK-like speech. I don't mean this from a partisan
7 perspective. I mean the president. I mean Democrats and Republicans in Congress, in
8 governorships, senior political leaders of this nation saying we are in a long war. We need
9 everyone to think of how can they serve. What can you offer.

10 And I think that that call needs to provide some top cover to the military to be able to
11 muster the additional human capital it is going to need longer term. So I can understand how the
12 hard choices were made in the near term, but I think it is a mistake to pretend that there isn't a
13 larger requirement out there that we're going to have to grapple with in the long term.

14 STUMP: Well, in the area of recruiting, the Army National Guard is not having the
15 quality problem that the active Army is. They are 2 percent (ph) to 25 (ph) percent CAD4s (ph).
16 They have only had about 600 (ph) that they had the waivers for the people with criminal
17 records. So they are recruiting the guys that are next door and so forth.

18 KREPINEVICH: Again, I am not an expert on the issue, but someone who shall remain
19 nameless in the senior Army circles mentioned to me that evidently because of the policy of only
20 deploying guard and reserve forces two years out of every five, it may be possible that some of
21 these units reach their two-year completion point. If you would like to serve in the guard, for
22 example, then you would target that unit, to join that unit under the assumption that these guys
23 and gals can't be deployed, at least for the next couple of years, and I'm betting that in the next
24 couple of years we are not going to face the current circumstance that we are in now.

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1 Again, I don't know that for a fact, but people are clever, and they will look at the system
2 and they will look at ways to make it work for them as best they can.

3 STUMP: Well, on the Air Force side, 14,000 out of the Air National Guard, which is
4 about a 13 percent cut; 7,700 out of the Air Force Reserves is a substantial cut for a relatively
5 small force. Now, in the Air Force Reserve and the Air National Guard, those organizations
6 maintain C-1. I mean, we had our A-10 (ph) unit that was activated one day and then 14 days
7 later they were deployed and dropping bombs. Wouldn't it seem reasonable with a budget
8 constraint up here, rather than reduce the reserve component, to move more missions (OFF-
9 MIKE).

10 KREPINEVICH: Well, based on the latest budget figures that we have, the FYDP called
11 for about an 8 percent real increase in defense spending and about a 34 percent increase in
12 procurement. In a sense, the Bush buildup was a hollow buildup from a procurement
13 standpoint, so you have a lot of equipment that needs to be bought, the services are saying, to
14 recapitalize toward the end of this decade. About the only way you can get to that fairly quickly
15 is to reduce force structure, because then you can drive down some of your personnel costs. It is
16 very difficult to see how with a flat force structure you increase procurement by one-third in a
17 budget that goes up less than 10 percent.

18 So my sense is that is what they are looking at as they begin to skim some of the force
19 structure off the Navy and the Air Force. As you get into particulars, it would seem to me the
20 issue is what are those guard and reserve units doing. So, for example, my own prejudice would
21 be we probably don't need fighter attack squadrons as desperately as we need tankers and cargo
22 aircraft. So it would depend on what sort of units you are looking at disestablishing as you make
23 those kinds of cuts. Again, it should go back to what your strategy is, what kind of forces you
24 are going to need, and unfortunately that is a discussion we haven't gotten very far into, I think,

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1 on some of these relatively new contingencies.

2 STUMP: Well, I guess my point is, without a top line, we are going to (OFF-MIKE)
3 maintain the same combat capability and save money to move this mission from the active duty
4 and put it into the Air National Guard, because it is more cost-effective than it is in the active
5 duty, to take money and buy the equipment.

6 KREPINEVICH: Certainly that is a plausible way to go. Again, I am not an expert on
7 that level of detail.

8 STUMP: Thank you.

9 PUNARO: Thanks.

10 Before I go to Don Stockton for our next designated questioner, we have three
11 commissioners already, Rhett Dawson and Jack Keane and Dan McKinnon, I know from before
12 want to ask questions. But I want to check and see if any of our designated questioners have a
13 second round because they have been very patient. Larry, have you got any follow up?

14 ECKLES: No.

15 PUNARO: Wade, how about you?

16 ROWLEY: Fine.

17 PUNARO: Gordon, do you have any?

18 STUMP: No, thank you.

19 PUNARO: You are set? OK.

20 Don, over to you, and then the other three in the order I have just mentioned.

21 STOCKTON: I would like to look for a minute back to the QDR. I am concerned that,
22 and I want to ask the question, let's think about whether it missed the mark. If we can say maybe
23 it did miss the mark, then how can we improve the process to hit the mark? I would welcome
24 either one of you to comment.

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1 FLOURNOY: Well, I have written an article entitled Did The Pentagon Get It Right?
2 My answer was yes and no. Overall, I think that the assessment of the future environment, the
3 articulation of the challenges, the need for a shift of emphasis, actually a lot of the strategy piece
4 of the review I thought was quite solid and quite good. Where I felt the reviewer was
5 disappointed in the review, as I say, because I think the expectation, you have to remember, the
6 expectations for this review were set very high by the administration and by others looking at the
7 need for change.

8 Where I felt it fell short was it was very uneven in its connecting of that strategy to its
9 programmatic recommendations. I think the strongest area where it connected the dots was in
10 irregular warfare, connecting to a specific investments then growing special operations
11 capabilities, investing in language training, cultural awareness, HUMINT and so forth. In other
12 areas, one of them being homeland defense, it was particularly weak connecting the dots. So I
13 think it was very uneven in its translation of the strategy into specific programmatic changes.

14 I also think that I like the force sizing construct very much. I think it is an improvement
15 over what we had before. But when I look at that construct, the size and mix of the forces I
16 would draw out of that are different than what the QDR ended up with. I think the QDR
17 ultimately, as you suggested, had some hard budgetary constraints that forced it to I think reduce
18 force structure or choose to take a degree of risk in the force structure area, to make things fit
19 inside its budgetary constraints. I would like to have seen them be more explicit about that risk,
20 but that's something that administrations don't like to do very much is talk about where they
21 have taken risks.

22 I personally think if you look at that force sizing construct, if you look at the strategy,
23 again you are going to need growth in a number of capability areas that would cause you to
24 believe you need a somewhat larger force, not a pared down force, or necessarily what we have

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1 inherited today.

2 KREPINEVICH: I agree with Michele. I thought the diagnosis in terms of what our big
3 challenges were was well covered in the QDR. Again, the failure to balance programs and
4 resources, it is a problem for every administration, every defense review, but I think the effect
5 this time could be particularly pernicious because we seem to be coming to the end of the
6 defense buildup, so we are not going to be growing our way out of problems.

7 Again, no real tough choices. There were adds and puts, which is nice, but it is hard to
8 see how a lot of these infant programs that are quite worthy won't get crowded out over time by
9 some of these larger programs that have a lot more momentum behind them. It is difficult to talk
10 about allies, but we are going to have to get used to it. We used to do it during the Cold War.
11 We are going to need allies a lot more over the next 15 years than we have over the last 15 years,
12 and that has got to be a big part of what we focus on.

13 I thought very good points on the interagency process, the fact that some of these
14 problems just transcend the Defense Department and really I think a rather eloquent call to get
15 involved in that. And then nothing really on industry. It just sort of struck me as our Army has
16 become stressed in this war, because it found itself in a different environment, a marathon as
17 opposed to a sprint. Our defense industry has gotten used to the fact, or maybe the Defense
18 Department, that we really haven't lost a lot of equipment in a war in about 30 years. And yet
19 you can envision contingencies where we will start to burn up equipment as well as people, and
20 it is not clear we have the industrial base that is able to respond to that. I thought that was a big
21 lack, a big shortcoming.

22 In terms of improving the process, one of my observations was, can you imagine Jack
23 Welch after being head of General Electric for four years, needing a GE version of the QDR to
24 tell him what he should be doing with the corporation? I can't. It would seem to me that if you

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1 want a successful QDR, you come in knowing not only the questions, but the answers, or having
2 a pretty good idea of what the answers are. And that a lot of the analysis is to refine the issues
3 for you, not to establish the issues.

4 I think if you look at the 2001 and 2005 QDR, Secretary Rumsfeld posed some very good
5 questions to the department, to the services, but got back answers that were, the current program,
6 the program record is pretty darn good, Mr. Secretary, and he wasn't comfortable advancing his
7 own answers. And it is very difficult to get a large organization, for lots of reasons that I am sure
8 many of you are familiar with, to give you very different answers, even to very different
9 questions.

10 The next aspect to improving the process is you have to be working the Hill and industry
11 throughout the whole process. You have to make sure that whatever you come out with, you are
12 going to get as much of what you come up with as you possibly can, and that means building
13 allies in industry and on the Hill. And so, if you are going to make change, you are going to
14 create winners and losers. The losers will figure it out real fast. The winners may have more
15 trouble. And you really need to work with the winners, the people who you are going to
16 empower or enable or benefit. And that has to be a big part of the process.

17 So my sense is it is less about the process of forming committees and groups and panels
18 and IPRs and task forces and this and that, than having a good sense going in of what you are
19 trying to accomplish, being willing to impose your own answers when the answers you get back
20 are not particularly relevant, and also realizing that the process transcends the Pentagon, that a
21 big part of the process is working with your partners in industry and up on the Hill.

22 STOCKTON: A follow-on question, currently and for some time now, we have been
23 thinking about jointness, the way we prosecute the war, you mentioned allies. Do you think that
24 there is sufficient joint level oversight to the service-based budgetary process, and then what

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1 improvements would you recommend?

2 FLOURNOY: I think the joint oversight could be improved. One of the things that we at
3 CSIS have advocated in a different study, called Beyond Goldwater-Nickles, is to give the
4 combatant commanders who are the customers, if you will, more of a voice in the requirements
5 definition process. You still have the services as the long-term capability providers who think
6 long term, think future, but you need I think more of a voice from the commander in the field to
7 say what do I really need, what are my priorities. Right now, you have the supplier defining his
8 own requirements, basically, and I think there needs to be more of a perspective from the
9 commanders integrated into the requirements definition process.

10 The other element that I think needs to be injected is more of a sense of healthy
11 competition for how best to meet those requirements. There is a lot of fear and loathing of
12 creating inter-service rivalry and competition that is very destructive and unhealthy in the
13 department, and I understand that. But I think if you go back to Andy's notion of if we have a
14 grand strategy and we have some overarching operational concepts that are initially U.S.
15 government-wide, then you have a joint concept, and you want to create fora where different
16 service providers, capability providers can come forward and compete. You know, who has the
17 best capability to meet the need outlined in the concept?

18 Right now, the department doesn't manage that process very well, in my view. We end
19 up debating weapons systems down at the program and tactical level, as opposed to debating
20 which capabilities at the operational level are really going to get you the most bang for your
21 buck.

22 KREPINEVICH: I would second a lot of what Michele said. It would be interesting to
23 know what General Keane thinks, given that he was vice chief of staff for the Army and so was
24 involved with service requirements and also a member of the JROC, but also head of joint forces

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1 command, which was charged with helping to establish joint requirements.

2 I think one problem that the secretary of defense probably has is that a lot of the
3 requirements, as Michele said, really originate in the services. I think his initial effort to put his
4 people in as service secretaries, business people who I think he thought would get out in front of
5 the process, was an attempt to try and influence what went on before things were so far
6 downstream that you really couldn't influence them that much.

7 In terms of involving the COCOMs, or the combatant commanders, I have mixed feelings
8 about that. A lot of, when you are talking about these new capabilities, you are talking about,
9 especially in terms of major systems or information networks, capabilities that will show up five
10 or ten years from now. And again, that is after the period in which these COCOMs are going to
11 be in their position. It is too late to do them directly any good. And if you think that there are
12 discontinuities coming in terms of the kinds of challenges and problems you face, then you are
13 likely to run into the risk of getting a rather short-term time horizon perspective. You know,
14 give me something that I can use now, because I have more than enough troubles right now.

15 Michele's point about competition I think is quite good. It almost seems as though we
16 have established certain monopolies and people don't get too far out of their lanes. But when
17 you are talking about new kinds of problems, it is not clear necessarily at the beginning who has
18 the best idea, who has the right idea. In the 1950s, for example, there was the new mission of
19 intercontinental strike, and each of the services had a ballistic missile program. And it turned out
20 that two of the three services came up with good answers, the Air Force with its ICBM force, the
21 Navy with Polaris and so on. But without that competition, the Air Force, a lot of pilots were
22 saying we're damned if we're going to be the silent silo sitters of the 1970s. We will have
23 planes. And they were kind of forced into that business by the knowledge that they did not have
24 a monopoly on that particular mission.

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1 Well, it would be nice to see, say, a competition today on dealing with the anti-access
2 area denial situation. How do you project power when you don't have access to large forward
3 bases? The Air Force might do it with long-range strike space in IW; the Army might do it, in
4 fact the Army has talked about doing it by infiltrating highly networked distributed forces. The
5 Navy has talked about doing it through at-sea basing. Why not have these services compete with
6 one another to see who comes up with the best way of accomplishing the mission? That could
7 relate to also the mix of active and reserve component forces as well.

8 STOCKTON: Thank you.

9 KREPINEVICH: Thank you.

10 PUNARO: Our next questioner lists among his many accomplishments the executive
11 director of the Packard Commission which looked at reforming the acquisition process, but I
12 know that won't be his question here today. Rhett Dawson.

13 DAWSON: No, I am actually not going to bore you with that commission.

14 Ms. Flournoy, I want to pick up on three separate things that you mentioned, and I want
15 to see if we can get you to expand a little bit on each of them. One had to do with the long war,
16 which as you know was the lead sentence of the QDR. You made reference to leaders of this
17 country, both Republican and Democrat, not communicating as well as they might about what
18 that means. I guess to bolster your argument in a way, the other night we looked at how many
19 Google hits you get if you put in "long war" into Google. The number was staggering. It was
20 290 million, which would bolster your argument, I guess, to the point is there is a thirst out there
21 for people to know. So question one is, and I will get all these questions out and then we will
22 come back.

23 So question one is, is there a thirst out there? And just out of curiosity, why in your
24 opinion, this is really a bit maybe too strategic or too political, if there is such a thing, why are

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1 they not speaking about it, do you think, our leaders?

2 And question two, you made a reference very early on in your remarks that the social
3 compact is broken. You said what there needs to be is a new social compact, which implied that
4 the existing social compact is broken. If that is true, what prescriptions do you have, what is the
5 social compact that you regard as being the new one, and what prescriptions can you give us to
6 talk specifically about that?

7 And area number three of questions have to do with your reference to the call for more
8 integration and the new mix of missions. I suspect that you have read the White House report of
9 last month that was the post-Katrina critique, and it is 125 recommendations. I suspect you have
10 not memorized them, but there are six of them that are very pointed about the call for integration,
11 a couple of which go so far as to suggest that you put, I believe, a National Guard commander in
12 charge of NORTHCOM, another that you make the National Guard bureau a joint entity, and
13 you may know the other four. I lent my book out to Jimmy down here, so I won't read them to
14 you, if it is OK. I have gone far enough.

15 But anyway, if you could, if you talk about discontinuities, Dr. Krepinevich, those three
16 questions are probably discontinuous, but they are trying to get you to expand on what I thought
17 were some intriguing, unstated things, and I would like you to state more explicitly about what
18 you had in mind.

19 FLOURNOY: I am going to take them in reverse order, because the first one is in some
20 ways the hardest.

21 When I talk about more integration, what I observed from Katrina, and others as well,
22 was that you had a multiplicity of actors engaged, all well meaning, all doing their best, engaged
23 in a response, but a lot of the right hand not knowing what the left hand was doing, not being
24 able to communicate, not having a common set of objectives, plans, approaches. And so my, I

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1 guess what I, focusing on the DOD perspective, if we think that the National Guard will be one
2 of the most, not the exclusive, but one of the most important DOD elements in that mix in the
3 future, then we should use our peacetime training time for the National Guard to be doing more
4 to build an understanding of the complexity of the mix, but to also build those relationships, to
5 build common plans, to build common ways of doing business, to work on the communications
6 issues, to sort out command and control issues.

7 We can't just throw them into this situation. Now, they have a huge knowledge of the
8 local and the state piece already. I think ironically some of the integration is that we haven't
9 fully integrated them into our own DOD structures, NORTHCOM for example. We have not
10 fully integrated them into our own federal interagency structures, allowing them to develop
11 working relationships with DHS, for example. So they are a lot more integrated at the local and
12 state level sometimes than they are with the rest of the federal government. So I would say I
13 think that is critical piece going forward that we have to work into their tasking, if you will.

14 On the social compact, the reason for change in my view is that we have changed one
15 side of the equation and not the other. We have changed the demand side of the equation, the
16 expectations that the government has of our reservists, the dramatic increases in utilization,
17 increased stress and so forth. And you are seeing I think some of the byproducts of that is we
18 looked at DMDC surveys of reservists and their families, a historic decline in level of spousal
19 support for reservists continuing to serve. That is a warning light that you have to do something
20 about that. You have to worry about that. The recruiting retention problems we have already
21 talked about.

22 So I think we need to adjust the side of the equation that says what are we offering
23 reservists in exchange, what are we doing for them. I don't just mean financially, compensation
24 and benefits.

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1 DAWSON: But you don't mean to, on the other hand, exclude that either, I presume.

2 FLOURNOY: No, no. It is one element. So what are the goals of change? For DOD,
3 DOD wants a new compact that increases readiness of the reserve components, that gives them
4 greater accessibility to the capabilities they need; that gives them more flexibility to tailor
5 compensation to create incentives for recruiting incentives for retention, and so forth.

6 For reservists and their family, what do they want, what do they need? They need, first
7 or all, more transparency and more predictability. My husband was notified in 48 hours. He was
8 demobilized with less than one week's notice. And he was the COO of a startup. His whole
9 startup collapsed when he was mobilized, so with less than a week, he was told, you're back out
10 on the street. He was glad to serve. He was proud to serve. He would do it again in a heartbeat.
11 But we have to work on the predictability issues for families in terms of what we ask, the level of
12 adjustment, and the speed of adjustment that we ask of them.

13 Shorter and more manageable tours of duty. Since the time of Desert Storm, length of
14 tours has more than doubled. That is something that is a huge issue for reservists and their
15 families. Obviously, providing the equipment and training to help them be successful in their
16 jobs, and then compensation and benefits that are commensurate with an increased level of
17 commitment if they take on an increased level of deployment.

18 So I think some of the areas we need to look at is things that enhance predictability;
19 things that reduce transition costs in transition between active duty and reserve duty; a greater
20 diversity of opportunities for service so people can find the size that fits them, as opposed to
21 plugging into a one-size-fits-all system; greater attention to family support.

22 And then I think on the compensation and benefits, I think at this point I am going to be
23 really frank, and this will probably get me in trouble, but I think congressional action has
24 outstripped what we know. We don't have data to know yet whether the compensation and

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1 benefits changes that we are making in law actually have impact on either recruiting or retention
2 in the reserves. I think we have to slow down, get some data, and then focus. Right now, I think
3 we have greatly expanded the benefits. Now, we have to focus on helping people have ease of
4 access, to actually using some of the benefits that are out there. TRICARE is a perfect example.
5 Every reservist is now eligible for TRICARE Select if they are willing to pay, depending on
6 different levels of premiums for different categories. But the real issues are access, are transition
7 and so forth.

8 So I think this is a very rich area for you all to explore. We are exploring it as well, but I
9 think we have to slow down this train. This is not a problem you just want to throw money
10 because long term you can't sustain that investment; long term, there are huge opportunity costs
11 elsewhere in the force and elsewhere in the DOD enterprise. So we have to let our analytics, if
12 you will, catch up with the situation.

13 Long war, why aren't the leaders talking about it, why is there not a call to service. I
14 don't know, if the honest answer. I think that it is difficult for politicians to ask sacrifice of
15 people. It is one of the hardest things to do as a leader. It is much easier or much more
16 understandable to want to tell people that I will worry about this; you go shopping; you continue
17 with your normal life; don't worry about it; everything is fine; I am protecting you. If you talk
18 about the long war, you have to talk about challenges that aren't, that we can't necessarily say
19 we have solved completely. You may have to even talk about mistakes or failures and the need
20 to readjust. It is very hard to get politicians of any stripe to do that.

21 But I think that there is a real need for it. I was very glad to see the long war language in
22 the QDR. On the one hand, I worry that it is too myopic, that there are lots other threats. A lot
23 of the threats that Andy talked about are not in the long war per se. There are other things we
24 have to worry about, too, besides long-term struggle with Islamic extremists or insurgency. But I

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1 liked seeing it there because it is a hook for a national dialogue that we need to be having, that
2 affects all kinds of things that you are talking about here.

3 DAWSON: Thanks.

4 PUNARO: We will go next to General Keane.

5 KEANE: Well, Rhett took my question on the social compact. But let me just thank the
6 both of you for coming. It is not surprising, the thoughtful comments that you provided now and
7 that you have been helping to provide to national security leaders and others in this great country
8 of ours. It is always a pleasure to be with you.

9 I am of the view that this volunteer force has been extraordinarily successful for us for
10 30-plus years. What we are asking of it is unprecedented. Andy, you hit on it. I mean, we never
11 have asked a volunteer force to deal with protracted war which doesn't seem to have a boundary
12 to it. When you look at it, we are taking such a small portion of American society and asking
13 them to do this. And it is even a small portion of the Defense Department that we are asking to
14 do it, if we are really honest about it.

15 Not only are they being killed and maimed, but they are being psychologically and
16 emotionally damaged by repetitive wars. Anybody that has ever been in close combat knows
17 what I am talking about here. As that thing continues to roll out, and youngsters do the second
18 and the third time, they are not the same in terms of that amount of stress and the things that they
19 have to cope with emotionally and psychologically. We just have to be honest with ourselves.
20 How much are we going to ask people who are even willing to do this, to do it?

21 So I think we are at a bit of a crossroads here in terms of making some judgments about
22 the way ahead. What we are trying to do is get as much as we can out of this turnip we have, and
23 I applaud that. This commission is much about that. But I think maybe one of the things we can
24 do, and I liked your comment that we should take a strategic view initially, and I think that is

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1 important because the backdrop to everything we are doing is in the strategic sense, and this
2 challenging problem we have as a global power and the new threats that we are facing with
3 nuclearization and with the radical Islamists.

4 So the crossroads becomes this, can we really sustain volunteerism and a professional
5 military against all of that, even with the improvements we are making. And you look at this
6 QDR, I mean, what was challenging about the QDR to me was it set the stage, but then it failed
7 to deliver in merely coping with all of those challenges out there.

8 I was wondering if you could enlighten us, because it helps us to understand, some of the
9 things maybe that were not said in the QDR that could have been said, some of the choices that
10 were not made that could have been made to help readdress the balances even within the Defense
11 Department, that were not done, and that disappointed you in that document.

12 KREPINEVICH: Well, you said we are taking a small portion of our citizens. Actually,
13 we are asking a small portion. We have not taken anyone. The point about repetitive combat, I
14 had a discussion with the Army chief of staff, and again this issue of, he more or less alluded to
15 the fact that, Krepinevich, this isn't your Army. This isn't the garrison Army of the 1970s and
16 1980s. These young men and women, they have been at it and at it and at it again. And that
17 experience alone makes for a different kind of Army. He wasn't quite sure of just what the
18 social implications were of this. But certainly historically, I think there are a number of cases
19 where people just get burned out after a while. Even though they perform magnificently up to a
20 point, you just hit a wall. And that wall is different places for different people.

21 I guess the thing that, if I could just hit on one thing in terms of the QDR, again the Army
22 is moving within the constraints that it confronts to a force that can sustain 18 smaller brigades in
23 the field, which is roughly the size that we have committed into combat right now. Again, that
24 begs the question of, again if you are looking out the next 10 or 15 years and you, Indonesia, is

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1 that the most stable country in the world? It is an oil producer. It is along key lines of trade and
2 communication. You look at Pakistan. I have mentioned that. Iran? Even that force, even if
3 you could somehow say that that would be sufficient for smaller contingencies or the way that
4 we have conducted business, there is the scale problem that you have to concern yourself about.

5 I think it was an absolute necessity to begin to think about allies and partners, allies in the
6 sense of other countries that could provide ground force support. If you look back over history,
7 Britain managed to be the world's dominant global power with a very small army because it
8 worked very hard at alliance relationships. And of course, the first place you would look would
9 not be Europe. Europe is slowly becoming depopulated, or certainly populated by a different
10 group of people. What are the large Islamic democracies in the world? Turkey; India has more
11 Muslims than I think just about any other country; Pakistan; Indonesia. For smaller
12 contingencies, you have countries like Singapore that can produce a very good navy around
13 Malacca.

14 Where are the efforts to begin that kind of effort? Where are the efforts to train
15 indigenous forces like the Paks (ph) or the Indonesians? In the 1960s, we had military assistance
16 advisory groups, and these were teams that would go and help train the forces in countries in
17 Latin America, for example, as well as Vietnam and other locations, to help them conduct their
18 own stability operations when they were threatened with insurrection and insurgency and so on.

19 The Army is between a rock and a hard spot. Those kinds of teams, you know, first of
20 all, the skill sets, we have not been very good at promoting. People who are regional experts
21 who speak the language, but not just the language, but who have been in the area, who know the
22 culture, who know what to do and what not to do. It is going to take a while to build that up.
23 But even as a start towards that, you face a dilemma because these sorts of organizations are top
24 heavy. They are a lot of officers and NCOs in these organizations relative to privates. If you are

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1 going to train somebody, you can't be new yourself.

2 Well, the Army really is in a tough position right now. Are you going to take people out
3 of these brigades and say you are our best people; we are going to go send you to Indonesia or
4 Pakistan or some of these other countries, when you have a fire burning in Afghanistan and in
5 Iraq. Interestingly enough, historically we have actually done that on occasion. Early in World
6 War II, we took a lot of our best carrier pilots and sent them back to the United States to train
7 more carrier pilots. And the thought was, we can hold on long enough, but if we lose these guys,
8 everybody is going to keep going up that same learning curve starting from square one. We want
9 our guys to start at square 15. And so we were willing to make that kind of sacrifice.

10 But in considering the long war, the fact that OK maybe we can't do this immediately,
11 but if you have come to the sense that this is something, a challenge that is going to be with you
12 for quite some time, the effort to leverage allies and build up partner capacity I think is the
13 phrase they use, it is something that was striking to me in terms of its absence.

14 FLOURNOY: I would add that your question, sir, takes you back to the grand strategy
15 point. I mean, we cannot build a military large enough to confront all the challenges that Andy
16 described as primarily military problems, or things that have military solutions. The military will
17 play an indispensable role in some of these, no doubt, but what we need is a grand strategy that
18 really puts much greater emphasis on prevention and on using the other instruments of our
19 national power, whether it is diplomacy, whether it is foreign assistance, whether it is trade, et
20 cetera, to try to prevent some of these crises from becoming crises in the first place, from getting
21 to the point where they require military intervention to deal with them.

22 That is not a criticism of just this administration. That is a criticism of all of our sort of
23 staff government. We tend to deal with something when it is on fire. It is very hard to get senior
24 leaders focused on things that are coming down the pike two years from now, five years from now,

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1 ten years from now when they have crises overflowing in their in-box.

2 One of the things that we have recommended in our Beyond Goldwater-Nickles work is
3 the idea of a quadrennial national security review, a Solarium-type exercise a la the Eisenhower
4 administration that engages the most senior foreign policy and national security leaders in the
5 administration in their earliest days in a grand strategy exercise, to identify priorities and to
6 harness the non-military, you know, the full range of our instruments of national power towards
7 their objectives, which should have a heavy emphasis on crisis prevention.

8 I also think Andy's point about building capacity is critical to this. We have to build the
9 capacity of the countries where this insurgency is going to pop up. They are the first line of
10 defense. We have to help them to be healthy and strong and capable of dealing with it at the
11 local level to obviate the need for us to come in at the international level.

12 So I think there are a lot of grand strategy questions that your concern raises because we
13 cannot afford to remain in a situation. I have a colleague who says right now we have one
14 instrument of national power, the U.S. military on steroids, and everybody else on life support. I
15 love having a U.S. military on steroids, but I would also love to see a diplomatic corps on
16 steroids, and trade and foreign assistance used as a strategic economic tool around the world, and
17 so forth.

18 So I think we have a long way to go in getting that right.

19 KEANE: Thanks.

20 PUNARO: OK. Commissioner Dan McKinnon.

21 MCKINNON: It is not very often that you get a chance to talk with people who are paid
22 to think instead of just thinkers.

23 You touched on China a little bit ago, and I would just like to come back to that a minute.
24 As you structure your defenses, you are looking at the threats. And of course, a lot of the threat

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1 we are looking at today is Iraq, Afghanistan and that type of thing. Some people feel that in the
2 next 10 or 15 years, somewhere down the road here, with the explosive growth of the Chinese
3 economy and their demand for oil and there is just a limited amount of oil in the world, with their
4 desire over Taiwan, where are we going exactly with them? Do you have any specific thoughts
5 about it? I mean, are they going after Indonesia? Are they going to go down to the Middle East
6 to get oil, if they can't buy the oil? Are we going to have the defenses to go after Taiwan? We
7 did back in 1958 to support it, but would we go to war there over Taiwan today?

8 Where does China want to go? Is it sort of like the rancher and the only land he wants is
9 the land adjacent to his land? Or do they have bigger goals than that? What is your thinking on
10 along that line? I want to kind of nail you down a little specific, more than just the general broad
11 terms.

12 KREPINEVICH: I think China wants internal stability. I think they would like to be the
13 dominant power in that part of the world. Certainly, that fits with their history in terms of the
14 ebbing and flowing of their great dynasties and so on.

15 I am maybe a bit counterculture, but I think over the next 20 years we probably have
16 more to worry about China stemming from its weakness than its strength. If you look at China
17 demographically, for example, the one-child policy of the 1980s is producing a situation where
18 unlike Western Europe, Japan and the United States, China is going to grow old before it grows
19 rich, whereas we grew rich before we grew old. We set up social welfare systems and so on.
20 And so China demographically is in a less favorable position than countries like India or the
21 United States, more favorable than Japan or Europe, but again they don't have the wealth of
22 Japan or Europe per capita, or the network. And that could be a source of internal instability,
23 number one.

24 Number two, it could slow economic growth. If you go back and look at the period of the

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1 industrial revolution, periods of dramatic economic growth, whether it was England in the early
2 19th century, America and Germany late 19th century, Japan early 20th, all corresponded with
3 dramatic increases in population. That may be different this time around because we are in the
4 IT era, but it is certainly something I think for China to worry about.

5 Secondly, it is still a very labor-intensive economy. Countries that have mature
6 populations are extending the working age, but China does not have a particularly good health
7 care system and their economy is still labor-intensive. So someone in Japan might be the greeter
8 at Wal-Mart or sit behind a terminal and work on a word processor for awhile, in China they are
9 much more likely to have to do hard physical labor. That, combined with age, combined with a
10 lack of a national health care structure comparable to what we have here, again could impose
11 further costs on their economy.

12 There are studies that have been done, when China went to the one-child policy, it was
13 around the same time that science made possible prenatal sex identification. And for cultural
14 reasons, a lot of Chinese chose sex-selective abortions. So you have an imbalance between
15 males and females in China, and there has been some historical studies that indicate that
16 imbalances that are this radical, typically it is about 103 to 105 males for every 100 females in
17 China; in a lot of areas, you are looking at 120 to 140 males per 100 females. There are some
18 studies that argue that this the source of great internal instability in countries, when you have a
19 lot of unattached frustrated young men who tend to be quite frankly, I mean, they tend to be the
20 social misfits, the marginal class in society, the criminal class and so on.

21 So you have also got, as you alluded to, the fact that China, according to some
22 projections, will be the country with the highest demand for foreign oil by the 2020s, again
23 according to some projections. Well, the price of oil is going up. Relative to the United States,
24 China is relatively inefficient in a business sense. Our businesses are very efficient users of

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1 energy. It is our citizens who are sort of the energy slobs. So in terms of ability to compete, it
2 costs China about twice as much energy to produce at equivalent level of GDP as it does the
3 United States.

4 All this going on in a country that is worried about internal stability, whose source of
5 legitimacy in terms of the ruling regime is not ideology, it is not the vote, it is we are the best at
6 managing the economy. And you have a situation where demographically and in terms of energy
7 demand, these folks may be going through some very difficult times. How will they choose to
8 handle that? No one really knows. What you would like to do is avoid the situation where they
9 think the use of force is an attractive option. If they choose to use force, one thing that we really
10 have not studied is how the Chinese think about strategy and how they would apply force or try
11 to apply military capability.

12 They are investing in a set of capabilities that the Chinese call the “assassin’s mace.” It is
13 fairly high-tech, but it is also very different than our investment profile. So the question is if you
14 get back to the risk question, who is taking the bigger risk? Is it the Chinese by investing in this
15 novel set, or is it us by investing in something very different? Every once in a while you find
16 out. I mean, in 1940 the Germans overran France in six weeks because they came up with a
17 much better idea. But they were two very different ideas about how to fight at that particular
18 time.

19 And so we worry about the Chinese sort of Saving Private Lin. You know, they will do
20 the cross-channel invasion and invade Taiwan pretty much the same way we did D-Day. Well,
21 what if the Chinese choose to invoke a missile blockade on Taiwan? There are only two ports in
22 Taiwan that handle LNG and oil tankers. You can easily target those with ballistic missiles and
23 force the Americans to shoot first. What about a commerce war over energy that doesn’t involve
24 direct strikes on China or the United States, but there is this energy war that goes on either

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1 through proxies or perhaps more directly at sea.

2 The Chinese are also looking at IW and space and so on. So it is just not clear where
3 they are headed. It is not clear what would force them into more of a hostile kind of military
4 competition with us. But it is worth thinking about because again history is full of examples of
5 rising powers who run into difficulties and seek to resolve them through the use of force.

6 MCKINNON: OK, so it is fair to say you are really not quite sure where we are going
7 with them.

8 FLOURNOY: The only thing I would add is the challenge for DOD is even if we believe
9 that the likely scenario is that they are completely internally absorbed, they are focused on
10 sustaining economic growth and so forth, DOD is the ultimate hedge. What if they miscalculate?
11 What if there is aggression over Taiwan or some other situation? I would just second Andy's
12 comments that we need to maintain the capabilities to deal with that, but China is not likely to
13 come at us symmetrically. They are the sort of high-end, they define the high-end of asymmetric
14 warfare, and we need to be studying how they think and looking closely at their investment
15 strategies and what capabilities they are developing and making sure that we can operate
16 effectively in the face of those.

17 MCKINNON: Is that something sort of the think tanks are starting to think about or start
18 to analyze?

19 KREPINEVICH: Well, and Congress requires the Defense Department every year to
20 submit a report on Chinese military capabilities. A couple of themes in there are the assassin's
21 mace. Another is that the U.S. intelligence community has generally underestimated the pace of
22 Chinese development of military capabilities. It would be very helpful, just as we did again in
23 the early days of the Cold War, we spent a lot of time and effort trying to understand
24 communism, how the Soviet Union was governed, Russian culture and so on, to get an

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1 understanding of how they would compete with us in a military sense, how they would make
2 decisions, how they calculated military balances and so on. We established a center in
3 Garmisch, Germany and we put people in there, and they studied it and studied it and studied it.

4 We don't have anything comparable to that with respect to China. Again, it is not as
5 though we want to say China is the next Soviet Union. It is how do we make sure that in
6 advertently we don't end up in a hostile military competition with China, (A). And (B), if we do,
7 we certainly want to be prepared, as Michele says, if things come to the point of conflict, because
8 they won't come at us the way we would come at ourselves.

9 MCKINNON: Thank a lot.

10 PUNARO: OK, I am going to close out with one last question, but let me preface it by
11 saying that recognizing that both of you have really devoted your careers to ensuring we have a
12 strong national defense in a variety of jobs. You also recognize that decisions we make in the
13 defense establishment today sometimes take many, many years to take effect, and that is why I
14 think both of you pointed out a commission like ours, you better be thinking five years, eight
15 years out. I mean, we know in the weapons systems that weapons systems that are on the block
16 today, unfortunately it is not eight to ten years. A lot of times it is 15 to 20 years. But military
17 manpower policies, Secretary Ball and others remember quite well the petty officer shortage in
18 the Navy. Once you get some of those bubbles in the manpower area, they just work their way
19 through the force. And so we need to look very hard at those.

20 I also recognize that if all anybody ever did in the Congress and elsewhere was do
21 everything 100 percent the way the Pentagon argued since the end of World War II, we would
22 have a much different Department of Defense than we have today. I note for example the
23 Goldwater-Nickles reforms. The most powerful proponents of those reforms were the
24 conservative supporters of the Department of Defense, not liberal critics, people like the

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1 supporters were Barry Goldwater and Sam Nunn and Bill Nickles and Newt Gingrich, people
2 like that.

3 So when I ask you this question, it is not in the way of a report card or a criticism of any
4 administration, but because I really was taken by your advice to us that picked the right questions
5 and the toughest questions. Which of the one or two that you think are the most likely to cause
6 us, if we don't deal with them now and get a course correction going here in the next one or two
7 years, that are going to come back and really be an Achilles heel or a fatal flaw five to eight
8 years out.

9 FLOURNOY: Ladies first. I will nominate a couple. I think the whole question of how
10 do we bring more Americans into service in the reserves is one of the big ones. I think we have
11 to get out of the box of it is just figuring out the compensation piece. That is a part of it. I think
12 it is also opening up the range of options between it is either all or nothing, not all or nothing, but
13 all or 39 days. There is lots in between that we can tap into, lots of arrangements we could
14 envision that would make it more attractive for people who currently don't see themselves as
15 entering the reserves, at least thinking about it, saying, oh, I could do that; I would do that. So
16 the whole continuum of service, diversity of contracts, et cetera.

17 Second related point is that when, if you take as a basic premise of strategy for the next
18 several decades that any competitor, whether they are individual terrorists or a future near-peer
19 competitor is going to come at us asymmetrically. I do not think that reserves, we have looked at
20 the skill sets in the reserves from that prism of what are the skill sets that we need to fight the full
21 range of asymmetric warfare. A lot of these reside in spades in the civilian sector. I mean, if
22 you want the world's best hackers and IT professionals and wireless engineers, you are not going
23 to find them in the U.S. military. You are going to find them out in the private sector. How do
24 we get those people's talents to work in support of the military.

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1 And I guess the last one I would highlight is the homeland defense piece. Creating a
2 truly integrated approach that recognizes DOD's support role, but also recognizes that in truly
3 catastrophic situation that overwhelms civilian capacity, we have to be able to better integrate
4 civil and military force at all levels, state, local and federal, and really going after that. Even if
5 you just solve any one of these, that would make the commission more than worth the
6 investment.

7 PUNARO: Thanks.

8 Andy?

9 KREPINEVICH: If you will permit me four quick ones.

10 One is I think these are the first three, huge changes from what we saw in the 20th
11 century. In the 20th century, we reacted to the great challenges that we confronted, whether it
12 was the Kaiser's Germany, Imperial Japan, Nazi Germany, the Soviet Union, we were reacting to
13 a rising power that was attempting to overturn the international system based on its strength. I
14 think, at least in the early part of this century, we need to be much more proactive. As Michele
15 said, get out in front of these problems.

16 I think in part that is because we are looking at the consequences of the failure of
17 countries and civilizations, not their rising power. Again, my counterculture or counter-trend is
18 China over the next 20 years. It will be more a case of its weakness than its strength. We are
19 looking at the failure of Arab civilization to a great extent when we look at the rise of radical
20 Islam. And these third world regimes really acting out of more of sense of insecurity and
21 weakness than out of a sense of strength and rising power. So again, we are not used to acting in
22 a proactive way. What we are used to reacting to, as Michele said, when the place is on fire. We
23 are much better being a fire department than a policeman.

24 Second, after a century of generally thinking about military competitions in terms of

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1 symmetrical challenges, whether it was the Germany army, the Japanese navy, the Soviet
2 military, that really animated our thinking. We have no one out there like that now. And so the
3 three enduring challenges are all very different. And to think tank-on-tank, plane-on-plane, ship-
4 on-ship is really to miss the point. In terms of the character of the competition, the relative
5 percentage that is military is diminishing in a number of ways relative to what you need to bring
6 to bear in an interagency sense.

7 Third, throughout the 20th century, alliances declined progressively over time in terms of
8 their importance to our security. In World War I, we were as junior partner. In World War II,
9 we were a partner in the Big Three. In the Cold War, we were the senior partner. After the Cold
10 War, we didn't need partners, at least for awhile very much. I think now the challenge is how do
11 we reverse that trend, but we need a new set of partners. And we need somehow to convince
12 countries who when they look at the United States have sort of grown accustomed to what in
13 public finance is called the "free rider" principle. You know, let the Americans do it. And if we
14 don't like the way they do it, we will complain and we will critique them and so on, but let's let
15 the Americans do it because we have other thing we would rather spend our money on.

16 The fourth item I would say is the long war reminded me of Rumsfeld's leaked memo in
17 October 2003, where he talked about the long, hard slog. Well, we have the long slog or the long
18 war. Neither party has put the word "hard" in. Neither party has said, look, this is going to
19 require sacrifice. This is going to require higher taxes. This is going to require somebody other
20 than the Chinese and the Japanese paying for this war. This is going to require sacrifice on
21 multiple levels.

22 I was struck by a speech that President Kennedy gave at Rice University in 1962. Part of
23 the speech went something like, and he was talking about the Cold War and the space race and
24 the Russians and so on, and he said, we choose to do these things, to meet these challenges, not

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1 because they are easy, but because they are hard. In a sense, he was saying that every generation
2 of Americans is marked by the challenges that they have to confront and how well they go about
3 meeting them. We have not had that kind of a call or a statement made to the American people
4 by the leadership of either party. I think that is something that is very much needed.

5 Thank you.

6 PUNARO: Well, thank you both again for your powerful and persuasive testimony, and
7 again for continuing to be at the forefront of providing for the intellectual, as well as the
8 important constructive criticism so important for our nation to remain powerful both militarily,
9 economically and politically as far forward as we can see.

10 I know we all have families. We are all concerned about that, and your testimony has
11 been extremely helpful to us, and helps us live up to the mandate that we have from the
12 Congress.

13 So thanks again and we look forward to staying in touch as we move ahead.

14 KREPINEVICH: Thank you, Mr. Chairman.

15 FLOURNOY: Thank you.

16 PUNARO: The commission stands adjourned subject to the call of the Chair.

17 END